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# REPORT OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT ON ITS NINTH SESSION

held in Midrand, South Africa,
from 27 April to 11 May 1996

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Note: The report of the Conference is being circulated in this mimeographed version for the convenience of Governments and the United Nations General Assembly. Subsequently, the report will be published in printed form in Proceedings of the United Nations Conference on Trade and Development, Ninth session, vol. I, Report and Annexes. The statements made in the general debate (agenda item 7) will be published in Proceedings ... (op.cit.), vol. II, Statements by Heads of Delegation.

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## PREFACE

(i) In conformity with United Nations General Assembly resolutions 1995 (XIX) of 30 December 1964 and 50/98 of 20 December 1995, the ninth session of the United Nations Conference on Trade and Development was held at the Gallagher Estate Conference Centre, Midrand, Gauteng Province, Republic of South Africa, from 27 April to 11 May 1996. The Conference was preceded by a one-day Meeting of Senior Officials at Midrand on 26 April 1996. The representatives of 138 States members of UNCTAD participated in the Conference.

(ii) The Trade and Development Board, in the exercise of its functions under General Assembly resolution 1995 (XIX), and in particular paragraph 21 thereof, served as the preparatory committee for the ninth session of the Conference. The Board began these preparations at its seventh (pre-sessional) executive session (15 September 1994), when it requested the then Officer-in-charge of UNCTAD to initiate informal consultations on the provisional agenda for the Conference and other related matters.

(iii) At the second part of its forty-first session, on 31 March 1995, the Board approved the substantive item of the provisional agenda for the ninth session of the Conference (item 8) together with the agreed annotations thereto (cf. TD/365).

(iv) At the first part of its forty-second session, on 18 September 1995, the Board adopted decision 430 (XLII) on the date and venue of the ninth session of the Conference. In paragraph 3 of the decision, the Board requested the Secretary-General of UNCTAD to make all the necessary arrangements for the Conference.

(v) The General Assembly, in its resolution 50/98 of 20 December 1995, welcomed with appreciation the generous offer made by the Government of South Africa to host the ninth session of the Conference and accordingly decided to convene the session at Midrand, Gauteng Province, South Africa, from 27 April to 11 May 1996, to be preceded by a one-day meeting of senior officials at the same place on 26 April 1996.

(vi) In the context of the preparatory process for UNCTAD IX, the Board adopted, at its eighteenth special session on 15 December 1995, recommendations 431 (S-XVIII) on the review of the intergovernmental machinery of UNCTAD.

(vii) Subsequently, the Board held its twelfth executive session (26 February - 29 March 1996) to launch the substantive preparations for the ninth session of the Conference. At the 872nd (opening) plenary meeting, on 26 February 1996, the Board established an open-ended Committee of the Whole which, meeting informally under the chairmanship of the President of the Board, was mandated to elaborate a substantive pre-Conference text and to consider any other matters that might be relevant to the preparatory process for UNCTAD IX. The Committee of the Whole reported on the outcome of its deliberations to the Board at its 873rd closing plenary meeting, on 29 March 1996. At that meeting, the Board took note of the pre-Conference text circulated in TD/B/EX(12)/CRP.4/Rev.2 and decided to submit the text, subject to minor

editorial or technical corrections, as an official document of the ninth session of the Conference, to serve as a basis for negotiations on item 8 of the Conference agenda. [1/] The Board also approved the provisional agenda and annotations for the Pre-Conference Meeting of Senior Officials, to be held in Midrand on 26 April 1996 (TD(IX)/PCM/Misc.1).

(viii) At the same session, as is customary for the organization of the Conference, the Board had to select the country that would be seated first in alphabetical order in Midrand. The name of the country drawn by lot was Latvia.

(ix) As part of the intergovernmental preparations for the ninth session of the Conference, three regional meetings were held at the Ministerial level. The final documents and the dates and venues of these meetings were as follows:

"Amman Final Documents" adopted by the Eighth Ministerial Meeting of the Asian Group of the Group of 77, held in Amman, Jordan, from 9 to 11 January 1996 (AS/MM/77(VIII)/1/Rev.1);

"Caracas Declaration" adopted by the Latin American Coordination Meeting for the ninth session of the United Nations Conference on Trade and Development, held in Caracas, Venezuela, from 16 to 18 January 1996 (LA/MM/77(VIII)/1);

"Addis Ababa Declaration on UNCTAD IX" adopted by the Meeting of African Ministers responsible for Trade, Regional Cooperation, Integration and Tourism, held in Addis Ababa, Ethiopia, from 14 to 16 February 1996 (AF/MM/77(VIII)/1).

(x) The final documents of these three regional meetings were taken into account by the Trade and Development Board at its twelfth executive session dealing with the substantive preparations for the Conference (cf. para. vii above), and were considered also by the Eighth Ministerial Meeting of the Group of 77 held in Midrand on 28 April 1996. They were officially brought to the attention of the Conference under cover of a note by the UNCTAD secretariat (TD/370).

(xi) The Eighth Ministerial Meeting of the Group of 77, convened in Midrand on 28 April 1996, held two formal meetings to deal with procedural matters. The Ministerial Meeting also held two informal Ministerial Round Tables on the following subjects:

- The challenges of development in the context of the agenda of UNCTAD IX
- The future role of the Group of 77 in UNCTAD.

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[1/] The pre-Conference text was subsequently circulated as the following Conference document: "Promoting growth and sustainable development in a globalizing and liberalizing world economy" - Pre-Conference text (TD/367).

At its closing meeting, the Ministerial Meeting adopted the "Ministerial Declaration of the Group of 77", which was subsequently submitted to the Conference in TD/372. [2/]

(xii) The following intergovernmental meetings were also regarded as having a contributory role to play in the preparatory process for UNCTAD IX:

High-level Intergovernmental Meeting on the Mid-term Global Review on the Implementation of the Programme of Action for the Least Developed Countries for the 1990s, held in New York from 25 September to 6 October 1995 (for the report, see TD/B/LDC/GR/8);

International Seminar on Technical Cooperation for Trade and Development in the Face of Globalization, held in Ascona, Switzerland, from 23 to 24 November 1995 (for the report, see UNCTAD IX/Misc.1 and Corr.1);

Topical Seminar on Environment, Competitiveness and Trade: A Development Perspective, held in Helsinki, Finland, from 18 to 19 January 1996 (for the report, see UNCTAD IX/Misc.2);

Conference on East Asian Development: Lessons for a New Global Environment, held in Kuala Lumpur, Malaysia, from 29 February to 1 March 1996 (for the report, see UNCTAD IX/Misc.3);

International Round Table on the Promotion of the Private Sector and the Role of Government, held in Bonn, Germany, from 6 to 9 February 1996 (for the report, see UNCTAD IX/Misc.4).

Meeting of Experts on Networking among Economic Actors: Technology Partnership for Capacity-Building and Competitiveness, held in Helsinki, Finland, from 10 to 12 April 1996 (for the report, see UNCTAD IX/Misc.5);

Conference on Capital Flows in Economic Development, held in Annandale-on-Hudson, United States of America, from 7 to 9 March 1996 (for the report, see UNCTAD IX/Misc.6);

Inter-Agency Seminar on Globalization and Liberalization: Effects of International Economic Relations on Poverty, held in Geneva, Switzerland, from 15 to 17 April 1996 (for the draft conclusions and recommendations, see UNCTAD IX/Misc.7).

(xiii) In connection with the substantive work of the ninth session, the following documents were submitted to the Conference: [1/]

*Globalization and liberalization: development in the face of two powerful currents - Report of the Secretary-General of UNCTAD to the ninth session of the Conference (TD/366/Rev.1)*

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[2/] For the text, see annex IV.

[1/] For the full checklist of documents, see annex VIII.

"Guidelines concerning the European Union basic position on the Conference agenda", circulated to the Conference under cover of a note by the UNCTAD secretariat entitled "Basic position of the European Union on UNCTAD IX" (TD/369).

(xiv) In the course of the ninth session of the Conference a Meeting of Ministers of Least Developed Countries was held in Midrand on 1 May 1996. On that occasion, the Ministers adopted the Declaration of the Ministerial Meeting of the Least Developed Countries (Midrand, South Africa, 1 May 1996), which was subsequently circulated to the ninth session of the Conference in TD/373. [1]

(xv) As recommended by the Board at its twelfth executive session, Ministerial Round Tables took place each morning from 30 April to 3 May on the following four themes:

1. Globalization: development, instability and marginalization

2. International trade as an instrument for development in the post-Uruguay Round world

3. Enterprise development: national strategies and international support

4. Future work of UNCTAD in accordance with its mandate; institutional implications.

(xvi) Also in the course of the ninth session, the following parallel events were organized:

- The Raúl Prebisch Lecture (29 April 1996)

  *Theme - The Global Economy or the Global Age: An Opportunity, Not Peril*

  (delivered by Professor Jagdish Bhagwati, Arthur Lehman Professor of Economics and Professor of Political Science);

- Seminar on Development Strategy and Management of the Market Economy (29 April 1996), hosted by the United Nations Department of Social Information and Policy Analysis (DESIPA);

- Executive Symposium on Trade Efficiency (29-30 April 1996);

- Africa Connect: Doing business in Africa (2-4 May 1996). A meeting to promote awareness of business and investment opportunities in Africa;

- UNCTAD Seminar on Risk Capital Investment in Africa (6 May 1996);

- UNEP/UNCTAD Seminar on Trade, Environment and Sustainable Development (7 May 1996);

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[1] For the text, see annex V.

- Joint UNCTAD/World Bank Colloquium on Integrating Developing Countries into the Global Economy: Challenges and Opportunities (7 May 1996);

- Secretariat presentations of UNCTAD technical cooperation activities.

(xvii) At the special Inaugural Ceremony arranged by the Government of the host country on 27 April 1996, the Conference was addressed by H.E. Mr. Nelson Mandela, President of the Republic of South Africa, and by Dr. Boutros Boutros-Ghali, Secretary-General of the United Nations. [5/]

(xviii) The Inaugural Ceremony was followed by two High-level Round Tables. Participants in the Round Table of Heads of State were:

- His Majesty King Hussein of the Hashemite Kingdom of Jordan;
- H.E. Mr. Nelson R. Mandela, President of the Republic of South Africa;
- H.E. Mr. José-Maria Figueres, President of Costa Rica;
- H.E. Mr. Benjamin Mkapa, President of the United Republic of Tanzania;
- H.E. Mr. Jean-Pascal Delamuraz, President of the Swiss Confederation.

Ms. Kitty Pilgrim (CNN) moderated the Round Table of Heads of State.

The Round Table of Heads of Agencies was presided over by Dr. Boutros Boutros-Ghali, Secretary-General of the United Nations, with the participation of:

- Mr. Michel Camdessus, Managing Director of IMF;
- Mr. Rubens Ricupero, Secretary-General of UNCTAD;
- Mr. Renato Ruggiero, Director-General of WTO;
- Mr. Sven Sandström, Managing Director of the World Bank;
- Mr. James G. Speth, Administrator of UNDP.

The following five Ministers also participated in the Round Table of Heads of Agencies:

- H.E. Mr. Fernando Naranjo Villalobos, Minister of Foreign Affairs, Costa Rica;
- H.E. Mr. Ali Abu Ragheb, Minister of Industry and Trade, Jordan;
- H.E. Mr. Dan Abodakpi, Deputy Minister for Trade and Industry, Ghana;
- H.E. Mr. Mohamed El Alami, Minister of Foreign Trade, Morocco;
- H.E. Ms. Kari Nordheim-Larsen, Minister for Development Cooperation, Norway.

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5/ The address by President Mandela was circulated to the Conference in TD/L.351. The address by the Secretary-General of the United Nations was circulated in TD/L.345. For both texts, see annex III.A.

(xix) In the course of the general debate (agenda item 7), which took place in the plenary from 30 April to 3 May 1996, 89 statements were delivered by high-level representatives of States members of UNCTAD. In addition, 21 statements were made by representatives of regional groupings, international organizations and specialized agencies. Statements were also made in exercise of the right of reply by the representatives of Greece and the Former Yugoslav Republic of Macedonia, as well as by the United Kingdom of Great Britain and Northern Ireland, supported by the United States of America, in response to the statement made by Iraq. [6/]

(xx) In the course of the session, messages and good wishes were received from the Heads of State or Government of China, Ghana, Mongolia, Russian Federation and United States of America.

(xxi) At its 251st (closing) plenary meeting, on 11 May 1996, the Conference adopted the text submitted by the President of the Conference entitled "Midrand Declaration" (TD/L.360) and the final document of the ninth session of the Conference entitled "A Partnership for Growth and Development" (TD/L.359). [7/]

(xxii) At the same meeting, the Conference adopted by acclamation a resolution entitled "Expression of gratitude to the Government and people of the Republic of South Africa" (TD/L.358). [8/]

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[6/] The statements made in the general debate and the statements made in exercise of right of reply will be published in volume II of the Proceedings of the United Nations Conference on Trade and Development, ninth session.

[7/] For the texts, see part one, section A.

[8/] For the text, see part one, section C, resolution 172 (IX).

# Part One

# ACTION TAKEN BY THE CONFERENCE

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# A. DECLARATION AND FINAL DOCUMENT ADOPTED BY THE CONFERENCE */

## MIDRAND DECLARATION

We, the member States of the United Nations Conference on Trade and Development (UNCTAD), gathered at Midrand, South Africa, for the ninth session of the Conference agree and state:

UNCTAD IX was characterized by frank assessments of UNCTAD's functioning made during the round tables of Heads of State, Multilateral Agencies and Ministers. This inspired member States to build a more effective organization capable of implementing its mandate in a changing world.

In 1992, UNCTAD VIII heralded *The Spirit of Cartagena*, a partnership for development. This was a clear recognition of the need for a new approach to assisting development. Four years later, it is clear that further vigorous initiatives are necessary to translate that spirit into reality.

Since Cartagena, the United Nations has held important global conferences on major economic and social themes. These have identified changes and challenges in the global economy, and highlighted the need for reform of the United Nations system. In addition, the creation of the World Trade Organization (WTO) has strengthened the rules-based trading system and furthered the process of liberalization, opening new opportunities for sustainable development and growth.

UNCTAD IX has responded to these changes and challenges by initiating important reforms designed to give new and real meaning to the partnership for development.

### *Globalization*

Our economies continue to be unified by flows of trade, finance, information and technological change. This increased interdependence is a powerful impetus to liberalization of these flows. Competitive pressure on all economies has increased, and market forces play a pivotal role. The rules-based system of the WTO will facilitate positive integration of countries into the global trading system if the commitment to this objective is strengthened.

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*/ Texts adopted by the Conference at its 251st (closing) plenary meeting, on 11 May 1996.

However, we must recognize that countries enter this system from very different starting points. Accordingly, the impact of globalization and liberalization is uneven: There are notable developing country successes where domestic reforms have provided increased dynamism to international trade and investment. Yet there remain problems of access to markets, capital and technology, and many grapple with the institutional transformation necessary for meaningful integration into the world economy.

The least developed countries (LDCs), particularly those in Africa, and other developing countries remain constrained by weak supply capabilities and are unable to benefit from trade. Marginalization, both among and within countries, has been exacerbated. Too many people continue to live in dire poverty. As we near a new millennium this is an intolerable situation.

It is in the interest of all countries that a mutually beneficial multilateral trading system continues to develop. This requires the recognition of differential impacts on countries and the solidarity necessary to ensure that all will benefit - a true partnership for development.

***Partnerships***

The partnership for development must be based upon a clear definition of roles, the establishment of common objectives and development of joint action. In practical terms this means:

(i) Strengthening intergovernmental cooperation between developed and developing countries;

(ii) Cooperation between developing countries should be enhanced with special attention to LDCs;

(iii) More effective coordination and complementarity of multilateral institutions;

(iv) The mobilization of human and material resources towards development through dialogue and common action between Governments and civil society;

(v) Partnerships between the public and private sector to achieve higher growth rates and greater development.

***UNCTAD's work***

UNCTAD's mandate remains relevant as the focal point for dealing with trade and related issues of development. It must build upon its comparative advantage and offer support appropriate to the needs of developing countries to ensure that they participate in the world economy on a more equitable basis.

UNCTAD's policy research and analytical work must illuminate the changes in the global economy as they relate to trade, investment, technology, services and development. Such work must facilitate policy formulation within member States as they strive for development. It must lead to constructive policy dialogue among member States to enhance benefits of trade. It must respond to different and changing developmental needs in the ongoing process of integration in the global economy.

Policy formulation assistance requires appropriate technical support and co-operation in order to achieve concrete results. It is essential that special attention is paid to creating an overall enabling environment at a policy and institutional level for the LDCs.

In enhancing technical cooperation, UNCTAD will strengthen its cooperation and coordination with WTO and other multilateral institutions. Developing countries themselves are increasingly contributing to technical cooperation.

Member States must also be supported as they build transparent and accountable governance and administration in all sectors of society. This enhances trade and investment.

### *Institutional reform of UNCTAD*

The comprehensive United Nations reform process is designed to refocus and reinvigorate international cooperation for peace and development. UNCTAD IX and the Secretary-General of UNCTAD have made a significant contribution to this process through the comprehensive changes that have been adopted. These changes support the more focused work of UNCTAD through streamlining the intergovernmental machinery, improving the method and quality of expert input and focusing and integrating the secretariat's working methods. The results of these changes must be outputs that respond to the needs and demands of the member States.

In a rapidly changing environment it is essential to maintain the relevance of an organization's work. This can only be done through improved accountability based on assessment, review and transparency of operation. The UNCTAD Trade and Development Board must perform this oversight role.

To build on the political commitment of member States to the process initiated at this Conference and ensure its implementation, the President of UNCTAD IX should consider convening a special high-level review meeting two years prior to UNCTAD X.

### *Partnership initiatives*

The Secretary-General of UNCTAD will convene a meeting with actors in development to advise him on how to enhance the participation of civil society in UNCTAD to build a lasting partnership for development between non-governmental actors and UNCTAD.

South Africa, as President of UNCTAD IX, in consultation with its regional partners and the Secretary-General of UNCTAD, will host a workshop on the partnership between the public and private sectors in mobilizing resources for development. The focus will be on the role of this partnership for LDCs and how other developing countries can work together with LDCs. South Africa will request the Asian Group and the Latin American and Caribbean Group to share their experience in this regard. It is appropriate that such a workshop take place in Africa, where the majority of LDCs are located.

***South Africa to Thailand***

At no time in world history has the destiny of all its many different peoples been so intertwined. This must lead to solidarity in action to eradicate poverty. It has been correctly stated in this Conference that no one can do for us what we will not do for ourselves. Our challenge is to ensure that all human rights and fundamental freedoms, including the right to development as an integral part of fundamental human rights, are promoted and protected.

Starting in South Africa - a country which chose a path of rejuvenation and hope - UNCTAD will traverse four years to Thailand - a country where significant progress has been achieved. When we reflect back on this path in the year 2000, may it be in the knowledge that our solidarity has improved the lives of people.

# A PARTNERSHIP FOR GROWTH AND DEVELOPMENT

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# A PARTNERSHIP FOR GROWTH AND DEVELOPMENT

## I. PROMOTING GROWTH AND SUSTAINABLE DEVELOPMENT IN A GLOBALIZING AND LIBERALIZING WORLD ECONOMY

### A. Challenges arising from globalization and liberalization among countries facing different circumstances

1. The globalization of production and the liberalization of trade offer opportunities for all countries and enable developing countries to play a more active role in the world economy. At the same time, these processes have also increased the complexity and challenges involved in interdependence, increasing the risks of instability and marginalization. Technological advances, the increased mobility of production factors, and in some cases regional trading arrangements have opened the door to the prospect of considerable gains in productivity and wealth creation. Some developing countries are already reaping the benefits. Others are less well placed to seize these opportunities. In principle all should benefit if Governments create the necessary conditions for promoting sustainable development, economic growth and stability. Effective international support can help those at risk of exclusion to address the challenges and take advantage of the opportunities, especially the LDCs and other structurally weak economies.

2. A particular challenge for the international community is the integration of developing countries into the global economy. Many of these countries, particularly in Africa, risk being left behind and marginalised in world trade, investment, commodities and capital markets. Ongoing intensive efforts are needed to help developing countries, in particular the least developed countries, to benefit from the process of global trade liberalization.

3. The full benefits of globalization and liberalization can materialize only if women are able to participate effectively in economic, social and political development. The Platform for Action adopted by the Fourth World Conference on Women held that insufficient attention has been given to gender analysis in the formulation of economic policies and structures. Women are vital agents of change. Therefore, policies and programmes need to integrate a gender perspective in order to contribute to the empowerment of women and to achieve equality between women and men in all sectors of the economy.

4. The challenge at the national and international level is to create the conditions that will allow the flows of world investment and trade to help bridge the economic and social disparities among and within nations. Towards that end, the Conference reaffirms the partnership for development.

## 1. Globalization and development

5. In the 50 years since the United Nations was established, the concept of development has evolved significantly. From a narrow focus on economic growth and capital accumulation, development has come to be widely understood as a multidimensional undertaking, a people-centred and equitable process in which the ultimate goal of economic and social policies must be to better the human condition, responding to the needs, and maximizing the potential, of all members of society. To be sustainable, development must meet the needs of the present without compromising the ability of future generations to meet their own needs.

6. The international community is confronted with a perpetuation of disparities between and within nations, worsening of poverty, hunger, ill health, illiteracy, high unemployment and underemployment, and the continuing deterioration of the ecosystem on which well-being depends. However, integration of environment and development concerns and greater attention to them will lead to the fulfilment of basic needs, improved living standards for all, better protected and managed ecosystems and a safer, more prosperous future. No nation can achieve these objectives on its own. They can only be achieved through a global partnership for sustainable development consistent with the outcome of the Rio Summit and other relevant international conferences in this regard.

7. Broadly based growth is a necessary condition for the economic, technological and social transformation of societies in developing countries. But for economic growth to accelerate and to be widespread and sustainable, the international community should promote cooperation based on broadly shared conceptions of development problems. Democracy and transparent and accountable governance and administration in all sectors of society are indispensable foundations for the realization of people-centred sustainable development. To ensure that the political framework supports the objectives of social development, which along with economic growth and environmental protection is a component of sustainable development, it is essential for social development that all human rights and fundamental freedoms, including the right to development as an integral part of fundamental human rights, are promoted and protected. In this regard, the important principles and programmes of action from the global United Nations conferences on environment, human rights, population, social development and women provide guidance for future action.

8. There is a range of non-governmental actors - civil society - whose participation is required to address appropriately the challenge of sustainable development. Companies, large and small and both domestic and transnational, private investors, non-governmental organizations, universities and research centres have a role to play in promoting sustainable development which was traditionally expected from the State. In most countries, Governments continue to play an essential role in a number of areas including: provision of basic infrastructure, ensuring the appropriate policy environment, stimulating the development of entrepreneurship and promoting or undertaking, as necessary, some functions which cannot for reasons of scale or externality be adequately initiated by the private sector.

9. Sustained economic growth requires creation of an enabling environment for the private/business sector. To create this environment, countries must ensure the efficient functioning of domestic markets, facilitate sufficient access to international markets, and create the best possible conditions for the

competitiveness of their firms, particularly the micro, small and medium-sized enterprises which characterize developing countries. Further necessary conditions include sound macroeconomic policies; encouragement of entrepreneurship and competition; and efforts to promote domestic savings and attract foreign capital, technology and know-how, as well as mobilizing capabilities towards sustainable development.

10. Regional economic arrangements have rapidly expanded to new countries and new policy areas and have continued to develop after the successful completion of the Uruguay Round negotiations. In many cases, they are able to complement and expand on what had been possible at the multilateral level. Regional economic arrangements should be outward-oriented and consistent with multilateral trade rules.

11. The outward-oriented reforms adopted by many developing countries allow them to participate more actively in world trade. The growth of these countries depends to an increasing degree on world trade and private capital to supplement domestic savings and other external financial flows. In this connection, the importance of the transparency and predictability of market conditions in all countries, as well as the role of developed countries in creating a stable economic environment for development, is recognized.

12. Technology is a critical factor for the ability of developing countries to participate in world trade and for achieving sustainable development. The prospects for the technological progress of developing countries are determined *inter alia* by the availability of technology, including advanced technology, on a sound commercial basis, by a proper enabling environment and by the development of their human resources.

13. Globalization and liberalization make all countries more susceptible to external developments, accelerating the transmission of positive impulses and, also, negative shocks. As a result, national and international policies are more interrelated. While these phenomena may reduce some of the difficulties associated with barriers to trade and investment, they may still lead to new problems. Therefore, there is a vital role for international cooperation and partnership.

14. Participating fully and effectively in international trade, investment and production requires capacity-building, improving the transparency, soundness and certainty of the domestic economic environment, and securing access to markets. For many developing countries, this also means creating and expanding capacities and infrastructure to supply goods and services efficiently to globalizing markets.

15. In many developing countries, particularly those in Africa and LDCs, commodity and market diversification require investment, human resources development, technological capacities, skills and support infrastructure to augment levels of production and efficiency to the exacting quality , cost and delivery requirements of global markets. International assistance, enhanced market access opportunities, development finance, investment and technical cooperation can play a crucial role in complementing domestic efforts to create necessary conditions for economic growth and sustainable development, including the implementation of structural adjustment programmes.

16. The heavily indebted low-income countries, including many that are LDCs, remain confronted with a high level of debt service. This has been one impediment to their development efforts. Measures to reduce debt burden can have a positive impact on development prospects, including the domestic investment climate, provided they are accompanied by sound macroeconomic and structural reform efforts.

17. The lack of territorial access to the sea, aggravated by remoteness and isolation from world markets, imposes serious constraints on the overall socio-economic development efforts of the land-locked developing countries. Likewise, island developing countries, particularly the small and remote ones among them, also face constraints on their external economic performance due to such factors as a poor resources base, environmental fragility, shortage of human resources and recurring natural disasters.

18. Measures for capacity-building including, *inter alia*, access to information and technologies and implications of information technologies for trade, trade efficiency and the creation of an enabling environment for the development of small and medium-sized enterprises and micro-enterprises will enhance the ability of developing countries to benefit fully from trading opportunities, including those arising from the Uruguay Round.

19. Enterprises in the informal sector are to be considered as part of the enterprise entity which contributes to the development process. They provide a source of new entrepreneurs and, being labour-intensive, can generate wage and self-employment for a significant segment of the population in many countries. They typically lack the infrastructure and support services common to the formal sector.

20. In a new context in which market-oriented growth strategies are being pursued by most developing countries, more intensive economic cooperation among developing countries is one means of increasing their capacity to produce, achieve economies of scale, and become internationally competitive, thereby promoting their integration into the world economy. In the area of economic cooperation among developing countries, some regional cooperation arrangements have evolved to a stage where trade and other economic activities among member countries make an important contribution to their economic growth in the context of sustainable development. Moreover, with the increasing diversity of development performances among developing countries, some of those countries have reached a stage of development where they can share their development experiences and cooperate with other developing countries, including in areas such as the integration of the enterprise sector into economic cooperation among developing countries processes; new approaches to monetary and financial cooperation; and intensified multisectoral cooperation in trade infrastructure, investment and production. Regional economic cooperation can play an important role in promoting production and market diversification, building adequate infrastructure networks and ensuring an efficient allocation of resources.

## 2. International trade in goods and services, and commodity issues

21. Globalization and liberalization have increased the potential for international trade to become an unprecedented engine of growth and an important mechanism for integrating countries into the global economy. A good number of developing countries have seized the opportunities and seen the rapid growth of their economies. Not all countries, however, have been in a position to seize these new trading opportunities. There is a real risk that these countries, especially the least developed countries, and other structurally weak economies, could become further marginalized. At the same time, it is widely recognized that the integration and fuller participation of these and other developing countries and countries in transition in the global economy would contribute substantially to the expansion of world trade, serving the overall objectives of world economic growth in the context of sustainable development.

22. The completion of the Uruguay Round of multilateral trade negotiations was a major step by the international community towards the expansion of the rule-based international trading system and advancing liberalization in international trade and creating a more secure trading environment. The Uruguay Round furthered and consolidated the process of trade liberalization through improvements in market access and more stringent disciplines over trade measures. It set out a system of multilateral trade obligations subject to a common dispute settlement mechanism which will place most countries at virtually the same level of multilateral obligation within a relatively short time. It addressed key issues in such areas as textiles and clothing, agriculture, subsidies and safeguards. It also covered new areas, such as norms for the protection of intellectual property and services. Most of the multilateral trade agreements contain their own built-in agenda for review, possible revision and negotiation of future commitments.

23. It has been recognized that, during the reform programme leading to greater liberalization of trade in agriculture, least developed and net food-importing developing countries may experience negative effects in terms of the availability of adequate supplies of basic foodstuffs from external sources on reasonable terms and conditions, including short-term difficulties in financing normal levels of commercial imports of basic foodstuffs. The plight of the LDCs and the need to ensure their effective participation in the world trading system is also recognized.

24. The challenges facing the developing countries and countries in transition in the context of globalization and liberalization are not confined to implementing domestic policy reforms, identifying and exploiting the trading opportunities created by the Uruguay Round and pursuing the policies which could enable them to derive maximum benefits from these opportunities. The challenges relate also to identifying, from a development perspective, ways and means of expanding such opportunities. In this context, the pursuit of the built-in future work programme contained in the various Uruguay Round Agreements and the key new emerging issues need attention. The interests of developing countries should be taken into account in this regard.

25. The General Agreement on Trade in Services (GATS) has opened possibilities for expanded trade in services. In this context, the developing countries face a major challenge of strengthening their domestic services capabilities to derive

full benefits from the implementation of the GATS. In view of the important role of trade in services in helping to facilitate economic development, developing countries will seek further liberalization in the services sector where it is important to their interest.

26. The Uruguay Round brought the agricultural sector under multilateral rules and disciplines for the first time, transformed a wide range of non-tariff barriers into transparent bound tariffs, provided for enhanced and secure market access commitments, and introduced rules limiting domestic support and export subsidies. While it may involve negative effects for LDCs and net food-importing developing countries in a transitional period, full and effective implementation of the Uruguay Round outcome within the agreed timeframe will ensure maximum benefit. Many issues remain in this sector with an impact on agricultural trade and sustainable agricultural development. Negotiations to continue the reform process will take place in WTO in accordance with the Agreement on Agriculture.

27. The value of the generalized system of preferences (GSP) as an instrument for the expansion of trade is recognised. As a result of the MFN-based tariff reductions in the Uruguay Round, there has been an erosion in the margin of preferences. There is a potential for the maintenance in the post-Uruguay Round environment of the role which the GSP has played as a trade policy instrument aimed at fostering the industrialization of developing countries and their integration into the world trading system. Certain preference-giving countries have already taken steps in this direction by reviewing their schemes to achieve a better distribution and utilization of GSP benefits among beneficiaries. There is concern among the beneficiaries that the enlargement of the scope of the GSP by linking eligibility to non-trade considerations may detract value from its original principles, namely non-discrimination, universality, burden sharing and non-reciprocity.

28. Globalization has in many cases highlighted differences in regulatory regimes in various policy areas. Interest exists in enlarging the world trade agenda into new areas.

29. Competition policy is one important new policy area. There is growing realization that anti-competitive practices can have a negative influence on trade opportunities arising from trade concessions and obligations. The challenge faced by developed and developing countries alike is to introduce effective national policies in this respect. At the same time, this issue may be considered at the international level. The TRIMs Agreement has formally recognised that competition policy and investment policy are closely related and thus require parallel consideration. Relevant to this consideration is the work carried out in UNCTAD on restrictive business practices (RBPs). The Set of Multilaterally Agreed Equitable Principles and Rules for the Control of RBPs is the only multilateral instrument on the importance of competition principles.

30. A particularly important area is that of integrating trade, environment and development. A concern here is that environmental policies and measures could be used for protectionist purposes. In developing environmental policies with a potential trade impact, it is important to ensure that they are, *inter alia*, transparent and pay appropriate attention to the special conditions and development needs of developing countries. Relevant concepts include those contained in the Rio Declaration on Environment and Development and Agenda 21.

31. The lack of efficient and transparent trade-related services such as customs, transportation, banking and insurance, telecommunications or business information is a major impediment to the integration of developing countries and some countries in transition into international trade and poses a formidable risk of exclusion from and challenge to the emerging global economy. Measures by all concerned to reduce the barriers to participation in international trade faced by entrepreneurs, including informal enterprises and micro, small and medium-sized enterprises in the developing countries and in particular least developed ones could contribute towards increasing employment and extending the benefits of globalization and liberalization to the entire society. Better access by these entities to training, finance, marketing and information services can play a crucial role in their success.

32. Commodity production and trade provide the mainstay for hundreds of millions of generally poor farmers and mine-workers in developing countries, particularly the least developed countries and other structurally weak economies. Developing countries which are heavily dependent on commodity exports face special challenges in promoting through trade their economic growth in the context of sustainable development. This is owing on the one hand to the instability and decline in real terms of prices for many commodities and international trade in these products and on the other hand to the difficulties encountered in the horizontal and vertical diversification of this sector, including the lack of foreign direct investment and the difficulties in efforts to implement market-oriented policies and development strategies in some countries. Efficient commodity marketing systems, including adequate services in the areas of quality control, information about market prices, and appropriate domestic legal and regulatory frameworks and institutional structures which can reduce counterpart risks and enhance access to credit and to risk management mechanisms, have a crucial role in enabling commodity producers, especially small producers, to share more fully in the potential benefits of trade. In addition, a conducive external environment is also of great importance.

33. Many commodity-dependent countries have attempted a diversification of their commodity sectors, and some have made successful efforts to improve their productivity and to diversify their economies. Over the past few years, many South-East Asian and Latin American countries which pursued sound economic policies have successfully expanded and diversified both their traditional commodity exports and the structure of their exportables. Other developing countries, specially lower-income countries, have experienced limited progress in export diversification and a relative stagnation in their commodity and other economic sectors. In this regard, efforts made by countries aimed at eradicating illicit narcotic crops are recognized. Difficulties in financing because of a lack of creditworthiness and developing countries' efforts to invite FDI can affect diversification efforts in some countries. A major lesson from these contrasting development trends is the importance of the timeliness and flexibility of producers' and exporters' responses to new or emerging market opportunities and niches. A key issue which has emerged in this context is the need to develop the necessary export-related services, skills and institutional structures to meet the requirements of non-traditional types of exports, since these requirements tend to differ significantly from those of traditional commodity exports, which generally involve different types of marketing methods. In this new market-oriented environment, new approaches are needed to help producers in developing countries dependent on commodities to manage the risks efficiently.

34. Another important factor affecting the commodity sector has been the post-UNCED awakening of concerns about the relationship between economic growth and the natural environment, as both commodity and industrial production activities affect the natural resource base. Changes in production and consumption patterns to make them consistent with sustainable natural resource use will be more difficult to effect if environmental costs and benefits are not taken into account in the prices of products, or if the adoption of environmentally preferable production methods is not facilitated by market-based approaches. There is concern among developing countries that the introduction of environmental conditionalities in the commodity sector will place an additional burden on commodity producers and divert resources from normal development programmes.

### 3. Promoting investment and enterprise development

35. Globalization and liberalization, driven by technological progress, increased competition and converging demand patterns, are shaping economic and social change throughout the world. In the new environment, sustainable economic progress requires regular investment in the productive sectors, mastery of technology and a dynamic and competitive enterprise sector. Experience also demonstrates the essential facilitating role played by government action to provide a stable macroeconomic environment and a sound economic, social and legal infrastructure, including respect for property rights and for the rule of law. Indeed, the economic importance of the enterprise as one of the main engines of growth and of development is now universally acknowledged: the enterprise is the economic unit that organizes production, creates employment, enhances skills, absorbs and promotes technological change and harnesses it for production, and invests for the future. In undertaking these functions, enterprises also contribute to broader social and economic objectives, such as reducing poverty and accelerating structural adjustment. As globalization and liberalization also bring with them the globalization of competition, it is increasingly acknowledged that development policies, at both the national and international levels, need to be directed specifically at fostering viable and internationally competitive enterprises, including an entrepreneurial culture. Within this context, the particular need to foster the development and expansion of small and medium-sized enterprises is also vital.

36. Foreign direct investment (FDI) can play a key role in the economic growth and development process. The importance of FDI for development has dramatically increased in recent years. FDI is now considered to be an instrument through which economies are being integrated at the level of production into the globalizing world economy by bringing a package of assets, including capital, technology, managerial capacities and skills, and access to foreign markets. It also stimulates technological capacity-building for production, innovation and entrepreneurship within the larger domestic economy through catalyzing backward and forward linkages.

37. Productive private investment, both domestic and foreign, is based upon investor confidence. Experiences have shown that FDI is attracted by a variety of policies and conditions conducive to economic development. In order to encourage domestic investment and to attract FDI, it is essential to have in place a stable, supportive, effective and transparent legal framework.

Intellectual property protection is an essential component of an environment conducive to the creation and international transfer of technology. Investment agreements which signal that investment is valued and that all investors will be treated fairly also promote investment.

38. The globalization of investment has become a dynamic factor in production strategies and in world trade, and the privatization programmes which have been implemented in some countries represent an important support tool for economic development.

39. Privatization, particularly in developing countries and countries in transition, is especially important since, under appropriate conditions, it can create new enterprises, reduce public deficits and contribute to an increase in investment flows. Due account should be taken of the social aspects of privatization, and of those policies and measures which are necessary, in order to mitigate any adverse social consequences of privatization.

40. There have been very few investment flows to the least developed countries, and in particular into Africa where the existing opportunities may need to be further promoted. Successful FDI and technology transfer can result from the industrialized countries' active participation in helping least developed countries, especially in Africa, in their acquisition and enhancement of technological capabilities through the means of technology licensing and expert advice.

41. Strengthened subregional, regional and interregional cooperation among developing countries can be an important factor in making them more attractive to foreign investors. Another trend of importance is that a number of countries in all regions have put into place, or are in the process of doing so, elements of a regional and, in some areas, interregional framework for FDI. There is no comprehensive, multilateral framework that covers a great majority of countries. The desirability, nature, issues and scope of such a multilateral framework, and especially its development dimensions, are increasingly being analysed and discussed.

42. Increasing globalization and liberalization offer significant new opportunities for enterprise development, but there are also risks. Appropriate national policies, supported by an enabling international environment, will magnify the gains which can be achieved by enterprises. Equally, however, inappropriate policies will magnify adjustment costs.

43. Enterprise competitiveness, the core of the modern economy, depends to a large extent on an appropriate enabling environment. Key elements of a favourable policy framework include:

- At the national level, macroeconomic stability and appropriate regulatory frameworks, including measures for consumer protection and those relating to the promotion of competition; experience has shown that these are also conducive to attracting foreign direct investment, as well as to developing and strengthening domestic technological capabilities.

- At the international level, assistance for structural adjustment programmes in favour of enterprise development, advisory services on how to formulate an enterprise development strategy, technical assistance to promote such a development strategy and international dialogue to discuss lessons learned in this respect.

44. Enterprise competitiveness is based on a variety of factors, including the cost of production factors, flexibility of production, quality, responsiveness to customers' needs, availability of credit and access to business information, etc., in a dynamic setting involving changing market demands and the continuous entry of new competitors. Competitiveness, even in traditional sectors, thus depends increasingly upon rapid adaptation to technological change, cooperative research and development efforts among firms, and a continuous process of innovation and human resource development. In addition, small and medium-sized enterprises are confronted with difficult challenges concerning the financing of their development, marketing activities, access to international markets, the introduction of advanced technology and improvements in managerial skills, quality and production. These challenges are more acute for small and medium-sized enterprises of developing countries, which account for a majority of the enterprises in most developing countries, as they operate in a more difficult environment than those in industrialized countries.

45. The experience of developed countries and those developing countries which have achieved sustained economic growth in recent years suggests that science and technology policy-making capability and ongoing dialogue between government and the private sector are important components in the development and expansion of an internationally competitive enterprise sector. In view of the increased competitive pressure on the enterprise sector brought by liberalization and the process of globalization, international support which takes into account the particular needs of individual countries would be required in the areas of institution-building, finance, access to commercial information, training and marketing and the development of a technological infrastructure to ensure that enterprises, in particular SMEs, in developing countries adjust to the rapidly changing global economic environment.

46. Enterprises can test their competitiveness abroad only if they have access to foreign markets. Lower barriers to trade promote competition and encourage international specialization. However, the weak infrastructure in many developing countries, and insufficient linkages to international markets, often impede enterprises in these countries from realizing their full competitive advantage.

47. These elements highlight the importance for countries of developing a coherent and comprehensive approach to enterprise development that would meet their particular priorities. Experience suggests also that ongoing dialogue between Governments and the private sector is likely to help ensure rapid and full implementation of such an approach and allow for timely adjustment to changing circumstances.

48. SMEs and micro-enterprises in developing countries often face difficulties in such areas as project execution, pre-investment studies, management consulting, production management, product development, marketing, engineering

design, quality control, laboratory testing, packaging, accounting, insurance, banking, legal services, repair, maintenance, data management, computer and software, telecommunications and transport. Access to credit and equity capital is important for all enterprises and can be particularly challenging for micro and SMEs.

## B. Measures and actions to be taken in order to maximize the development impact of liberalization and globalization and minimize the risks of marginalization and instability

49. States that are members of UNCTAD set as their objective the full integration of developing countries, in particular the least developed, and the economies in transition into the world economy and the international trading system in order to enable them to reap the benefits of liberalization and globalization. This means providing the conditions for an expansion of trade in goods and services to enhance their ability to meet their multilateral obligations, to understand and take advantage of their trade rights and to pursue their trade and economic objectives. Particularly for the least developed countries and certain other developing countries with structurally weak and vulnerable economies, this objective calls for the development and expansion of capacities to supply goods and services to globalizing markets. The member States recognize the importance of the assistance and support of the international community, as well as UNCTAD's contribution in assisting developing countries and interested economies in transition to achieve this objective, and agree to apply the following recommendations to this end.

### 1. Globalization and development

50. In pursuit of economic growth and sustainable development, all Governments should: create a stable macroeconomic framework and undertake any necessary structural adjustment and reform; ensure an appropriate and transparent legal and regulatory framework, *inter alia* to promote investment; strengthen human resource development; promote equality of opportunity and poverty alleviation; promote sound budgetary practices, *inter alia* to channel resources to productive uses and meet basic human needs; and provide for democracy and transparent and accountable governance and administration. The international community should support developing countries in their efforts in this regard.

51. Individual countries retain the primary responsibility for their development. In addition, developed countries have a major responsibility in the context of growing interdependence to create and sustain a global economic environment favourable to accelerated and sustainable development.

52. Donors, United Nations organs and specialized agencies are called upon to take part and effectively participate in the Mid-term Review Meeting of the United Nations New Agenda for the Development of Africa in the 1990s, scheduled to take place in September 1996 in New York, with a view to ensuring that the Review will lead to a more effective implementation of the Agenda.

53. Trends in resource flows point to the increasing importance of private flows and the significant decline in real terms of world official development assistance flows after 1991. Official development assistance (ODA) continues to be an important component of resource flows for LDCs and many other low-income countries. There is a need to continue to revitalise donor countries' development policies. Donor countries which have made ODA commitments in the context of Rio or various United Nations resolutions are urged to make efforts to fulfil those commitments. Donor countries should consider the possible development benefit of increasing ODA, particularly to the LDCs.

54. Donors need to expeditiously implement the agreed menu of aid targets and/or commitments as set out in paragraph 23 of the Programme of Action for the Least Developed Countries for the 1990s and fulfil their commitments to provide a significant and substantial increase in the aggregate level of external support to LDCs, keeping in mind the increased needs of these countries, as well as the requirements of the new countries included in the list of LDCs following the Paris Conference.

55. Efforts should be continued to address effectively the problems of heavily indebted low-income developing countries undertaking economic reforms whose growth prospects continue to be severely affected by their external debt problem. In this regard, to address official bilateral debt, the Naples terms adopted by Paris Club creditors in favour of the poorest and most indebted countries should continue to be implemented. Non-Paris Club creditors which have not done so are also urged to take measures as appropriate.

56. The Bretton Woods institutions are encouraged to expedite the ongoing consideration of ways to address the issue of multilateral debt. Other international financial institutions are also invited to consider, within the scope of their mandates, appropriate efforts.

57. In recent years, the magnitude of financial flows and the range of financial instruments in the international economy have grown rapidly, presenting new opportunities and challenges. One challenge is the increased exposure of domestic economies to the volatility of the international financial markets. The developing countries should therefore be better informed about risks and policy implications of different types of flows, as well as risk-hedging instruments, and could also benefit, in particular the least developed countries, from technical assistance related to the use of financial instruments for risk management in the international economy.

58. Land-locked developing countries require special attention in order to enable them to carry out the necessary development policy and operational reforms that will help reduce the high transit costs and enhance their external trade performance. It is recognized that developing countries which provide transit services need adequate support in maintaining and improving their transit infrastructures. Similarly, island developing countries, particularly the small and remote ones among them, require special attention in order to assist them to overcome their particular development constraints.

59. South-South cooperation should be promoted through the sharing of development experiences among developing countries at different stages of development. This process can be assisted by developed countries in the form of triangular cooperation. New political and economic realities of

interdependence call for greater partnership in development. Support of the donor community for South-South initiatives and programmes through, *inter alia*, financial and technical assistance in this regard is welcome. More attention should be given to promoting triangular cooperation and joint ventures.

60. Interregional cooperation among developing countries could involve: (i) the design and implementation of programmes of technical cooperation among developing countries (TCDC); (ii) preferential treatment of exports from LDCs; and (iii) trade liberalization through the Global System of Trade Preferences among Developing Countries (GSTP) and other arrangements. Further negotiations in the GSTP should aim to widen the scope of the GSTP, as envisaged in the Agreement.

61. The important principles and programmes of action of the United Nations conferences on the environment, human rights, population, social development and women should be effectively followed up.

**2. International trade in goods and services, and commodity issues**

62. The Uruguay Round Agreements provide the framework for an open, rule-based, equitable, secure, non-discriminatory, transparent and predictable multilateral trading system. All members of WTO should implement their commitments fully and all provisions of the Final Act of the Uruguay Round should be effectively applied to maximize economic growth and the developmental benefits for all, taking into account specific interests of developing countries.

63. The full realization of the anticipated benefits from the conclusion of the Uruguay Round also requires that confidence in the integrity and credibility of the multilateral trading system be upheld. In this respect, the WTO dispute settlement mechanism is a key element of the credibility of the multilateral trading system. It is essential for all countries to respect and fulfil the totality of the undertakings of the Uruguay Round. Countries should refrain from adopting measures inconsistent with their WTO obligations.

64. Preference-giving countries are invited to continue to improve and renew their GSP schemes in keeping with the post-Uruguay Round trading system and with the objective of integrating developing countries, especially LDCs, into the international trading system. Ways and means should be found to ensure more effective utilization of GSP schemes, particularly by LDCs.

65. Recognizing the important role of trade in services in helping to facilitate both economic development and international trade, and cognizant of the commitments made in GATS Article IV, appropriate technical assistance should be extended to the developing countries to develop and strengthen their service sectors to help ensure that they reap the maximum possible benefits from liberalization of trade in services.

66. Governments, as well as relevant international organizations, should consider extending appropriate technical cooperation to developing countries and countries in transition to enable them to participate more effectively in the international trading system. For WTO members, this should include assistance to enable them to effectively exercise their rights and meet their obligations

in WTO, and for prospective members, to help them understand the rights and obligations arising from accession to WTO. Assistance should also be provided for non-WTO members to facilitate their efforts to accede and to help them understand the rights and obligations of membership.

67. Governments involved in regional economic arrangements should ensure, where applicable, that these are consistent with WTO obligations.

68. Actions, as appropriate, should be taken to maximize the opportunities and to minimize the difficulties of developing countries, especially the least developed countries, and of the countries in transition, in adjusting to the changes introduced by the Uruguay Round. Governments are urged to implement fully and expeditiously the Marrakesh Ministerial Decision on Measures in Favour of the Least Developed Countries. The Marrakesh Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-Importing Developing Countries shall be effectively applied.

69. Trade liberalization in developed and developing countries should continue. This would improve market access for the exports of developing countries, enhance the competitiveness of their domestic industries, and facilitate structural adjustment among developed economies.

70. The pursuit of the built-in agenda contained in various Uruguay Round Agreements, as well as the way in which the international community deals with "new issues", should be carried out in a balanced way, including taking into account the concerns of developing countries.

71. Governments reaffirm their commitment to Agenda 21 and the principles of the Rio Declaration. Governments should have as their objective to ensure that trade and environmental policies are mutually supportive to achieve sustainable development. In doing so, their environmental policies and measures with a potential trade impact should not be used for protectionist purposes. Governments should ensure that these policies and measures are, *inter alia*, transparent and pay appropriate attention to the special conditions and development needs of developing countries, as well as respect the relevant concepts contained in the Rio Declaration and Agenda 21. Positive measures, such as market access, capacity-building, improved access to finance, and access to and transfer of technology, taking into account the relationship between trade-related agreements and technology, are effective instruments in assisting developing countries to meet multilaterally agreed targets.

72. All countries should endeavour to cooperate, including within the framework of existing multilateral agreements, to promote horizontal and vertical diversification by commodity-dependent developing countries, especially the least developed among them. Donors are encouraged to continue to provide assistance for diversification in the commodity sector of such countries, especially LDCs.

73. Donors are invited, in accordance with General Assembly resolution 49/142, to give particular attention and support to the commodity diversification efforts of African countries. States which contribute to the African Development Bank are invited to consider making substantial contributions in line with the outcome of the negotiated seventh replenishment of the African Development Fund.

74. The Common Fund for Commodities is requested to direct its commodity development programmes more towards commodity sector diversification projects, as well as to promote commodity market development. Particular focus should be put on the needs of the least developed countries. Development of commodity exports by developing countries also requires the serious attention of the Fund. The members should consider fulfilling as soon as possible their pledges made for the Second Account of the Fund. The Common Fund is encouraged to explore effective ways and means of using the resources of the First Account.

### 3. Promoting investment and enterprise development

75. The Conference recognizes that foreign investment can contribute to the strengthening of the production bases and export capacities of developing countries and help in their integration into the multilateral trading system and the world economy.

76. In order to attract FDI, countries are invited to continue initiatives in such areas as a stable macroeconomic environment, transparent and accountable public administration, respect for property rights and the rule of law, the quality of labour, improvement of infrastructure, entrepreneurial and institutional capabilities and simplified administrative and regulatory frameworks.

77. The least developed countries need assistance to complement their efforts to create an environment conducive to investment flows. This could include support for improving infrastructure and for human resource development and institutional capacity-building that leads to improvements in the regulatory and incentive frameworks in the LDCs and enhances capital and financial market development.

78. In parallel to those efforts, all countries are invited to pursue policies enabling FDI and to consider, and where possible improve, measures that facilitate FDI flows to developing countries. In particular, countries should provide their business communities with information about business conditions and investment opportunities abroad, especially in developing countries. An appropriate enabling framework allows firms to utilize their dynamism, global resources and vast capabilities towards indigenous technological capacity-building in developing countries and for the expansion of export opportunities and access to competitive structures and tools, such as information and transport networks and distribution and marketing channels.

79. Developing countries and interested countries in transition are encouraged to develop or strengthen their national strategies for fostering enterprise development, including through improvements that result in a sound regulatory framework for their development, with particular focus on small and medium-sized enterprises. In doing so, they are encouraged to broaden and deepen their dialogue with their business community, so as to ensure that the enterprise development strategies take into account the needs of the private sector.

80. In order to assist enterprise development, developing countries need to establish an appropriate capital market infrastructure. In the absence of economies of scale, regional cooperation in this field should be enhanced.

81. Multilateral and bilateral donors are invited, in response to developing countries' priorities, to continue to provide adequate financial support and technical assistance for the implementation of national strategies for enterprise development, and in particular for small and medium-sized enterprises.

82. International institutions and Governments are invited to provide targeted assistance for the creation and strengthening of domestic enterprises of the developing countries through policies and measures to enhance market access for the growth of enterprise in developing countries; to provide access to information networks by enterprises; to enhance the transfer of technology to the developing countries through international trade and economic cooperation; and to contribute to regional and interregional cooperation on enterprise development.

## II. THE CONTRIBUTION OF UNCTAD TO SUSTAINABLE DEVELOPMENT

83. In an era of fast-paced economic activity and increasing interdependence among nations, UNCTAD's member States are determined to continue to build an effective partnership for development. In consequence, UNCTAD's role as the focal point within the United Nations for the integrated treatment of development and interrelated issues in the areas of trade, finance, technology, investment and sustainable development necessitates adaptation to new economic and institutional modalities created by the process of globalization, the conclusion of the Uruguay Round Agreements and the creation of WTO. UNCTAD, having a clear comparative advantage in tackling trade-related development issues, should continue to facilitate the integration of developing countries and countries in transition into the international trading system in a complementary manner with WTO and to promote development through trade and investment in cooperation and coordination with ITC, relevant institutions of the United Nations system and other international organizations. UNCTAD's work should be geared to the special needs of developing countries, particularly the LDCs, and focus on development issues. It should be action-oriented and provide guidance on national policies and on an enabling environment conducive to trade and development.

84. Sustainable development, poverty alleviation, the empowerment of women, LDCs and cooperation among developing countries should constitute cross-cutting issues in UNCTAD's work. While concentrating on its main activities and objectives, UNCTAD should pay due attention to the outcome of the global conferences on environment and development, human rights, population and development, social development, women and human settlements.

85. UNCTAD should continue to provide a forum for discussions aimed at considering development strategies and policies in a globalized world economy. In this respect, special attention should be given to analysing and exchanging successful developmental experiences and drawing lessons from them. In its analytical and deliberative work, UNCTAD should focus on the following areas:

- Globalization and development;

- International trade in goods and services, and commodity issues;

- Investment, enterprise development and technology;

- Services infrastructure for development and trade efficiency.

Until the next session of the Conference, UNCTAD should concentrate its efforts on a few priority subjects in these areas.

## A. Globalization and development

86. One of the main challenges for UNCTAD in the years ahead will be to facilitate the process through which developing countries utilize the benefits of globalization to accelerate the attainment of the objective of sustainable development. For this purpose, it will be necessary first to monitor how some of the basic elements for sustainable development evolve and interact in an increasingly globalizing world economy, and to track changes in those interactions. Secondly, it will be necessary to evaluate the impact of these elements on the development process, seek new opportunities for the furtherance of development resulting from globalization and liberalization, and provide policy approaches and actions to help developing countries integrate into the world economy and achieve sustainable development.

87. In the field of globalization and development, UNCTAD should continue to analyse global interdependence issues from a development perspective, concentrating on specific micro and macro issues. This cluster of work will support annual discussions in the Trade and Development Board, utilizing among other elements the Trade and Development Report and the World Investment Report. Poverty alleviation should remain an important objective, and concrete opportunities to promote it should be identified. Specifically, this work will focus on the following:

(i) Examining specific development challenges regarding effective participation in international trade and investment, drawing out the lessons that may be of value to developing countries, countries in transition, and in particular the least developed countries. This examination of development challenges will integrate the important development lessons learnt about debt management problems from UNCTAD's work in this area;

(ii) Examining successful development experiences, drawing out the lessons that may be of value to other countries, particularly the least developed, and identifying suitable options, supporting co-operation among developing countries, in partnership with contributing countries and institutions, in this regard;

(iii) Monitoring the implementation of the Programme of Action for the Least Developed Countries for the 1990s and preparing, if so agreed, at the fifty-second session of the General Assembly, for a global review and appraisal of the implementation of the Programme; strengthening UNCTAD's contribution, in co-operation with other relevant organizations in the Inter-agency Task Force for Africa, towards the effective implementation of the United Nations New Agenda for the Development of Africa in the 1990s.

## B. Investment, enterprise development and technology

88. UNCTAD should continue to provide a forum for intergovernmental discussions, with the participation of representatives from the private sector, concerning issues related to privatization, enterprise development and international flows of investment. In particular, UNCTAD should promote the international dialogue among development actors for the purpose of assessing the challenges and opportunities for enterprise development arising from the emerging new economic conditions, including the post-Uruguay Round environment.

89. This set of activities will focus on investment, enterprise development and the participation of enterprises in the global economy, and issues related to technology for development. It will focus on the following issues:

Investment

(a) Improving general understanding of trends and changes in FDI flows and related policies, the interrelationships between FDI, trade, technology and development, and issues related to transnational corporations of all sizes and their contribution to development, with the results to be published in UNCTAD's report on world investment;

(b) Identifying and analysing implications for development of issues relevant to a possible multilateral framework on investment, beginning with an examination and review of existing agreements, taking into account the interests of developing countries and bearing in mind the work undertaken by other organizations. In this regard, the role of OECD and the activities of its outreach programme in explaining recent developments in that organization should be noted;

(c) Continuing investment policy reviews with member countries that so desire in order to familiarize other Governments and the international private sector with an individual country's investment environments and policies;

(d) Enhancing the capacity of developing countries and countries with economies in transition to improve their overall investment climate, to obtain relevant information and to formulate policies to attract, and benefit from, FDI. Attention should also be given to assistance in the area of accounting standards and accounting education and related activities;

(e) Promoting opportunities for FDI in host countries by facilitating the exchange of experiences on investment promotion and the benefits from FDI;

(f) Promoting investment among developing countries;

(g) Facilitating, consistent with available resources, the holding of a pilot seminar, co-sponsored with other relevant international organizations, on the mobilization of the private sector in order to encourage foreign investment flows towards the least developed countries. The results of this seminar should be evaluated by the Trade and Development Board in order to determine further action in this regard;

Enterprise development

(h) Continuing to assist interested developing countries with policy-related issues and training activities concerning entrepreneurship development through programmes such as EMPRETEC 21 and in the area of reform of public-sector enterprises;

(i) Facilitating the exchange of experiences on the formulation and implementation of enterprise development strategies, including questions related to privatization, and of experiences with regard to public sector/private sector dialogue and cooperation; to further the participation of developing countries' enterprises in the global economy; and to examine the special problems relating to enterprise development in countries in transition;

(j) Identifying and analysing the specific contribution that foreign direct investment can make to indigenous enterprise development and promoting ways to facilitate efficient domestic resource mobilization;

Technology

(k) Undertaking science, technology and innovation policy reviews with interested countries in order to identify options for national action, especially those which foster technological capability and innovation and the transfer of and diffusion of technology; 1/

(l) Identifying, through an exchange of experiences among countries at different levels of technological development, policies to favour technological capacity-building, innovation and technology flows to developing countries;

(m) Providing technical assistance in technology development, including accessing information technology, and disseminating relevant information through an information system and networking.

90. In these activities, in particular in the area of entrepreneurship, investment and enterprise development, UNCTAD should take into account the work done by other international organizations, specifically WTO, ITC, UNIDO and the World Bank Group, in order to enhance synergies, avoid duplication and coordinate related activities.

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1/ In accordance with Economic and Social Council resolution 1995/4, paragraph 9.

## C. International trade in goods and services, and commodity issues

91. UNCTAD's main role in the field of trade in goods and services should be to help maximize the positive impact of globalization and liberalization on sustainable development by assisting in the effective integration of developing countries, particularly LDCs and certain developing countries with structurally weak and vulnerable economies, into the international trading system so as to promote their development. Specific interests of the economies in transition should also be taken into account. Work in this area will include issues related to commodity dependence. This work, which should be undertaken in cooperation with WTO and other relevant international organizations, will focus on the following:

(i) Enabling these countries to respond to the opportunities arising from the Uruguay Round Agreements so as to derive maximum available benefit by: analysing the impact of the Uruguay Round Agreements on development; enhancing national capacities, in terms of human resources and administrative infrastructures, to enable WTO members to adjust effectively to meet their obligations and to take advantage of their rights; assisting countries in the process of accession to WTO, including by helping them to enhance their understanding of WTO rights and obligations, as well as improving the transparency of their trade regimes; identifying impediments to trading success, including barriers to export expansion and diversification; providing a forum for examination of issues related to trade preferences, including exploring opportunities for maximizing their utilization; facilitating the understanding of the multilateral trading system by analysing, from a development perspective, issues on the international trade agenda, as identified by the Conference or the Trade and Development Board, including new and emerging issues; assisting developing countries, in collaboration with WIPO and WTO, to identify opportunities provided by the TRIPs Agreement, including for attracting investment and new technologies; contributing, as appropriate, to the work of relevant international organizations in the implementation of the Uruguay Round Final Act Decision on Measures in Favour of the Least Developed Countries by assisting the LDCs that are WTO members to take maximum advantage of the special and differential measures provided for in the Uruguay Round Agreements. Within the framework of its programme of cooperation with WTO, UNCTAD should provide analytical information relating to the Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed Countries and Net Food-Importing Developing Countries;

(ii) Assisting developing countries to strengthen their capacities in the services sector, as well as to identify export opportunities by undertaking directly related sectoral analysis;

(iii) Examining issues related to competition law of particular relevance to development: continuing analytical work on restrictive business practices; assisting these countries to formulate competition

policies and legislation; institution-building; focusing on Africa by holding a regional meeting, creating relevant inventories and data bases, and establishing a technical cooperation programme;

(iv) Promoting the integration of trade, environment and development and continuing UNCTAD's special role in this field, in accordance with General Assembly resolution 50/95, paragraph 27, by examining trade and environment issues, from a development perspective, in close cooperation with UNEP and WTO and as task manager for the Commission on Sustainable Development by: undertaking the work that the fourth session of the Commission on Sustainable Development proposed for UNCTAD, including in the field of competitiveness, market access, eco-labelling, multilateral environmental agreements, positive measures and trade liberalization, and sustainable development;

(v) Addressing issues of particular relevance to commodity-dependent countries by: examining successful commodity diversification experiences; contributing to the transparency of commodity markets and analysing trends in commodity markets in co-ordination with international commodity bodies to supplement market information available to them from the business sector; promoting the management of commodity resources, in the context of sustainable development; continuing to assist their producers to make use of risk-limiting instruments.

## D. Services infrastructure for development and trade efficiency

92. UNCTAD's primary role in this sector is to assist developing countries, particularly the least developed countries, and countries in transition in generating trade-supporting services such as customs, transportation, banking and insurance, telecommunications or business information which are adapted to their particular requirements, with a particular focus on services addressing the needs of the informal, micro, small and medium-sized enterprise sectors. UNCTAD should review and assess progress with the trade efficiency initiative, including the experience gained so far in the working of Trade Points and their inter-operability. Rapid data transmission and reliable data protection are necessary for enterprises, large and small, if they are to be competitive. Access to information technology is important to enable countries to benefit from globalization. The free flow of information should therefore be encouraged. UNCTAD should consolidate the Trade Point Network by making Trade Points fully operational and effective and by assisting interested countries, in consultation with them, in establishing new Trade Points.

93. UNCTAD should, in close cooperation with ECE, ITC and other relevant international organizations:

(a) Continue to enhance the capacity of interested developing countries and economies in transition to trade efficiently through programmes such as ACIS, ASYCUDA, TRAINMAR, TRAINFORTRADE and the Global Trade Point Network;

(b) Explore means to make these programmes financially self-sustainable;

(c) Enhance the capacity of Trade Points to function as information and training centres for small and medium-sized enterprises.

94. In order to provide practical support to entrepreneurs in developing countries, UNCTAD should follow up on the results of the United Nations International Symposium on Trade Efficiency (UNISTE), held at Columbus, Ohio, in October 1994. Within existing resources, it should in particular:

(a) Encourage and provide appropriate assistance, upon request, to developing countries to carry out an assessment of the efficiency of their trade-supporting services and best practices in the light of the UNISTE recommendations; where parts of such an exercise can be performed by the private sector, this should be encouraged;

(b) Taking into account the relationship between trade efficiency and information infrastructure, in close cooperation with ITU, assess the practical trade implications of the emerging Global Information Infrastructure (GII), and identify relevant avenues for action in this area.

## E. Technical cooperation

95. UNCTAD's technical cooperation programme is an important element in UNCTAD's overall effort to focus its work on activities that provide practical assistance to developing countries. This assistance should be directed towards developing countries with the greatest need. LDCs should have priority in the assistance provided by UNCTAD. The effectiveness and impact of UNCTAD's technical cooperation should be strengthened as an essential complement to the institution's policy-oriented analytical and deliberative work. Specific needs of certain developing countries with structurally weak and vulnerable economies should be addressed. UNCTAD should continue to provide technical assistance to economies in transition. UNCTAD's technical cooperation should be demand-driven and aim to enhance the capacity of countries to promote their own development process. It should assist Governments to create the necessary enabling environment for development and strengthen the ability of beneficiary countries to participate fully in the world economy, particularly in international trade and investment. Donors are invited to continue and, if possible, increase financing for technical assistance programmes formulated by UNCTAD.

96. In order to enhance the substantive and financial consistency, predictability and transparency of UNCTAD's technical cooperation programme, the Board should set out a strategy for the coherence of regular and extrabudgetary programmes that seeks to strengthen the linkages between analytical work and technical cooperation. The Board should annually consider an indicative, rolling three-year plan for technical cooperation and review programmes and activities, including their cost effectiveness. Technical cooperation activities should be monitored and evaluated on a continuous basis, particularly to assess their impact on national capacities on the basis of relevant indicators.

97. UNCTAD's technical cooperation programme should be determined by its work programme priorities. In light of the objectives contained in paragraph 95, UNCTAD's technical cooperation should focus on the following areas:

(i) Globalization and development:

- Assistance in examining specific development challenges regarding effective participation in international trade and investment

- Providing continued support for debt management;

(ii) International trade in goods and services, and commodity issues:

- Enhancing institutional and human capacities in order for developing countries to analyse new and emerging issues and to benefit from the opportunities arising from participation in the multilateral trading system and to comply with the obligations in this respect;

- Assisting developing countries in the area of trade and environment, including through the use of country case studies;

- Supporting strategies in promoting national competition and consumer protection law and policy formulation;

- Contributing to vertical and horizontal diversification in commodity-dependent countries and promoting the use of risk-management instruments in favour of producers and exporters;

- Contributing to a better utilization of preferences through improved familiarization with GSP and other preferential trading arrangements;

- Assisting developing countries, in coordination with WTO, in accessing data on trade in services;

(iii) Investment, enterprise development and technology:

- Supporting the formulation of national policies promoting and attracting foreign investment;

- Supporting the formulation of national policies promoting private sector development, including SMEs and privatization issues;

- Supporting the formulation of national policies promoting entrepreneurship development ensuring participation of women;

- Promoting public sector/private sector dialogue;

(iv) Services infrastructure for development and trade efficiency:

- Supporting formulation of national policies promoting services infrastructure for development and trade efficiency;

- Improving trade-supporting services facilitating trade and exports;

- Human resource development;

- Follow-up on the results of UNISTE and providing technical assistance such as establishing trade points, particularly in LDCs.

98. The setting-up of a special Trust Fund for LDCs should be examined.

99. UNCTAD should intensify its cooperation and coordination with WTO, ITC, relevant institutions of the United Nations system, other organizations and donor agencies, as well as with regional and subregional groupings, through formal arrangements and within existing mechanisms, as appropriate. This cooperation and coordination should aim to fully utilize existing capacities, create more synergies and avoid duplication in order to optimize the impact of technical cooperation. It should also lead to a systematic exchange of information and best practices. Where appropriate, cooperation with the private sector, NGOs and the academic world should be sought.

## III. THE FUTURE WORK OF UNCTAD: INSTITUTIONAL IMPLICATIONS

### A. UNCTAD in a new institutional context

100. UNCTAD, as part of the United Nations system and contributing to its revitalization, has set new priorities and focused its activities and will continue its efforts to increase its relevance and effectiveness by streamlining its budget, reducing the number of meetings, rationalizing its publications and striving for better coordination and cooperation with relevant international organizations in order to strengthen complementarity.

101. Considering UNCTAD's mandate and what has been reflected in previous sections, the Conference has recognized the need to revitalize and remodel UNCTAD's intergovernmental machinery and has taken the necessary measures to make it more efficient and responsive to the needs of a rapidly changing world economy.

102. The Conference welcomes the reform of the secretariat initiated by the Secretary-General of UNCTAD, and encourages his further efforts to ensure that the internal organization of the secretariat is consistent with the priorities, objectives and intergovernmental machinery established by the Conference.

103. With a view to strengthening UNCTAD's capabilities, including *inter alia* technical cooperation, ways and means should be explored within the existing financial rules and regulations of the United Nations to reallocate a part of the savings resulting from improved overall cost-effectiveness.

104. In formulating its recommendations to the United Nations General Assembly on the date of future conferences, the Trade and Development Board should take account of the desirability of synchronizing the quadrennial UNCTAD conferences with the United Nations budget cycle.

## B. The intergovernmental machinery

105. The intergovernmental machinery is being structured in accordance with UNCTAD's future work programme, which is focused on a few priority trade and development issues of central importance on which it can make a substantial impact. The intergovernmental machinery shall be tightly structured so as to reduce the number of meetings and encompass all important areas of the work programme and should concentrate on programmes of interest and practical value to developing countries, in particular the LDCs.

106. In carrying out activities, cross-sectoral issues such as the problems of the LDCs, poverty alleviation, economic cooperation among developing countries, sustainable development and the empowerment of women should be integrated into the work of the intergovernmental machinery. The intergovernmental machinery will also need to ensure the continuous, timely and effective management, including coordination and oversight, of the work done concerning these issues.

107. In endorsing recommendations 431 (S-XVIII) adopted by the Trade and Development Board at its eighteenth special session (December 1995), the Conference decides that the structure of the intergovernmental machinery will be as follows:

(a) The Board is responsible for ensuring the overall consistency of UNCTAD's activities with agreed priorities. It will set or adjust the priorities for the period remaining up until the next session of the Conference. It will also set benchmarks and evaluate performance on this basis. To this end, it will ensure that UNCTAD's budget, programme of work, technical cooperation activities and publications policy are carefully scrutinized and their transparency enhanced. It will also ensure that the activities of its subsidiary bodies are in conformity with their mandates, carefully coordinated with other relevant international organizations and not duplicative of other bodies. The Board will also ensure that the calendar of meetings is carefully regulated and the number of meetings within UNCTAD's scope of activity reduced. The Board has the particular responsibility to ensure UNCTAD is operating in the most cost-efficient manner possible. It will also provide the Secretary-General of UNCTAD with recommendations on the allocation of resources, including reinvested savings in accordance with paragraph 103, to the various elements of UNCTAD's work programme. The Board shall be assisted in its tasks by the Working Party on the Medium-Term Plan and Programme Budget, in particular in its assessment of the budgetary implications of the proposed work programme. The Working Party will also have the task of identifying the amount of programme savings UNCTAD has generated through its streamlined intergovernmental machinery and more focused programme of work. The Secretary-General is invited to consult with the Working Party during the preparation of the work programme and budget from the earliest possible stage. The Board should explore possibilities of increasing its budgetary authority over the work programme of UNCTAD and prepare respective recommendations to the United Nations General Assembly.

(b) The Board will review the technical cooperation activities of UNCTAD in accordance with paragraph 96. The Working Party shall assist the Board in its oversight of the technical cooperation programme.

(c) In executing its mandated functions, the Trade and Development Board will meet in regular or executive sessions. The regular session of the Board will be convened in one part in autumn for approximately 10 working days. At that session, a segment should be included to deal with a substantive policy item with a view to attracting high-level participation. Personalities from the public, private/business and academic sectors in areas related to UNCTAD's work should be invited to attend. At its regular session, the Board will continue to deal with interdependence and global economic issues from a trade and development perspective. It will also review at its annual session progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s and of the United Nations New Agenda for the Development of Africa in the 1990s, with attention given to the examination of policy lessons drawn from successful development experiences. The Board will also act to ensure better horizontal coordination.

(d) The Board could meet in executive session three times throughout the year, with six weeks' prior notice, to deal with policy as well as management and institutional matters and when it is agreed that there are urgent matters that cannot be deferred to the regular session. Executive sessions will normally be confined to one-day's duration.

(e) The Bureau of the Trade and Development Board will be elected at each regular session to serve for the whole year and shall be authorized to despatch housekeeping business, including administrative and procedural matters, when the Board itself is not in session.

(f) The Trade and Development Board can set up subsidiary bodies, known as Commissions. It will set clear and specific terms of reference for the Commissions and examine and evaluate their work; it can create new bodies and abolish existing ones, on the basis of the priorities of the organization and of the work accomplished. It will examine the reports of the different immediate subsidiary bodies in order to draw elements for development perspectives to reach operational conclusions and recommendations to determine the direction of new work.

The Commissions will perform integrated policy work in their respective areas of competence. They will meet once a year unless otherwise decided by the Board. Sessions of the Commissions should be as short as possible and not exceed five days. The Commissions will have specific mandates and greater delegation of decision-making on matters of substance.

108. The Board shall have the following three Commissions: the Commission on Trade in Goods and Services, and Commodities; the Commission on Investment, Technology and Related Financial Issues; and the Commission on Enterprise, Business Facilitation and Development.

109. The Commission on Trade in Goods and Services, and Commodities will deal with the areas defined in paragraph 91. Within these areas, it will deal with the issues identified in paragraph 91 (i)-(ii), (iv)-(v).

110. The Commission on Investment, Technology and Related Financial Issues will deal with the areas defined in paragraphs 87-91. Within these areas, it will deal with the issues identified in paragraphs 89 (a)-(g) and 91 (iii); 89 (k)-(m); and 87 (i).

111. The Commission on Enterprise, Business Facilitation and Development will deal with the areas defined in paragraphs 88-90, 92-94 and 86-87. Within these areas, it will deal with the issues identified in paragraphs 89 (h)-(j), 94, and 87 (i)-(iii).

112. The Conference decides that an executive session of the Board should be convened, not later than 10 July 1996, in order to establish the above three Commissions and to identify, in accordance with the relevant Board resolution 352 (XXXIV) of 20 November 1987, two agenda items from their respective priority issues for their first sessions.

113. The measures and recommendations agreed upon at the Mid-Term Global Review on the Implementation of the Programme of Action for the LDCs for the 1990s should be fully implemented so as to ensure the success of the Paris Programme of Action. Although LDC issues will forthwith be considered throughout the intergovernmental machinery, the responsible entity in the secretariat of UNCTAD for the least developed, land-locked and small island developing countries should be shaped, staffed and equipped to allow it to coordinate the sectoral work, monitor the implementation of the Paris Programme of Action and other relevant United Nations programmes of action and provide inputs for review by the Trade and Development Board.

114. In order to benefit from a higher level of technical expertise, each Commission may convene expert meetings of short duration, not exceeding three days, the outcome of which need not be in the form of agreed conclusions. The total number of expert meetings will not exceed 10 per annum. In the first year the Commission on Trade in Goods and Services, and Commodities may convene up to four expert meetings and the other two Commissions may each convene up to three expert meetings. For the following years, the Trade and Development Board will review the distribution of expert meetings among Commissions, taking appropriate account of the recommendations of the Commissions in this regard. Technical matters discussed at the expert level should be reported to the relevant parent body, which may transmit them to the Board as appropriate. It would be for the parent Commission to consider their findings and to discuss the policy implications. Commissions should, when appropriate, make the results of expert meetings called under their auspices available to other relevant Commissions. Expert meetings should receive from the parent Commission precise terms of reference. The expert meetings should be organized in the form and with the participation most conducive to the accomplishment of their tasks. Experts should be nominated by Governments, should have proven experience and would serve

expert meetings in their personal capacities. Participation in expert meetings can be from the academic world, public and private sectors and NGOs. Special consideration should be given at the next regular session of the Trade and Development Board with a view to taking a decision on the question of improving the participation of developing country experts in UNCTAD meetings, including the question of financing their participation. Extrabudgetary resources for the financing of experts from the LDCs could be met from the proposed Trust Fund for LDCs.

115. The Conference confirms the convening of the Intergovernmental Group of Experts on International Standards of Accounting and Reporting.

116. The Conference invites the United Nations General Assembly and the Economic and Social Council to consider the relationship between the Commission on Science and Technology for Development and UNCTAD, taking account of the particular responsibilities of UNCTAD in this field, including its programme of work.

### C. The involvement of non-governmental actors in UNCTAD's activities

117. The Conference reaffirms the importance of involving non-governmental actors in the activities of UNCTAD. To this end, UNCTAD should continue to take into account their views by inviting them to participate, as appropriate, in an advisory capacity at public meetings of the Board and the Commissions and at expert meetings and to involve them in its activities.

118. In order to enhance further the participation of civil society and to build a lasting partnership for development between non-governmental actors and UNCTAD, the Conference requests the Secretary-General to pursue consultations with these actors, taking into account the experience of participation of civil society in other United Nations forums and international and regional organizations, and to report with recommendations to the Trade and Development Board.

119. The Conference notes with appreciation the Secretary-General's initiative to hold a meeting with actors in development to advise him. This meeting should be financed from extrabudgetary resources. The Secretary-General is invited to inform the next regular session of the Board of preparations for this meeting and to report subsequently on its outcome.

### D. UNCTAD X

120. The Conference welcomes with appreciation the offer by the Government of Thailand to host UNCTAD X in the year 2000.

## B. OTHER ACTION BY THE CONFERENCE

### Offer by Thailand to host the tenth session of the United Nations Conference on Trade and Development

At the 242nd plenary meeting, on 30 April 1996, the Deputy Prime Minister of Thailand, H.E. Mr. Amnuay Viravan, announced the offer of his country to host UNCTAD X in the year 2000. The Conference welcomed and endorsed the offer of the Government of Thailand by acclamation.

## C. RESOLUTIONS ADOPTED BY THE CONFERENCE

### 172 (IX). Expression of gratitude to the Government and people of the Republic of South Africa

The United Nations Conference on Trade and Development,

Meeting at its ninth session at Midrand at the invitation of the Government of South Africa,

Deeply appreciative of the invitation to host the Conference and the immense and successful efforts made by the Government and people of South Africa in the preparation and organization of the Conference,

Noting with satisfaction the efficiency and thoroughness of the services placed at the disposal of the Conference Centre at the Gallagher Estate in Midrand,

Noting also with gratitude the warm welcome and hospitality extended by the people of South Africa to all participants in the Conference,

1. Recognizes with great satisfaction the valuable contribution made by the host Government to the forward-looking achievements of the Conference;

2. Acknowledges with particular appreciation the personal commitment of the President of the Conference to the work of the Conference;

3. Expresses its sincere appreciation to the Government and people of South Africa for the generous hospitality and warm friendship accorded to the participants in the Conference;

4. Requests the President of the Conference to convey these sentiments to the President of the Republic of South Africa and, through him, to the people of South Africa.

251st plenary meeting
11 May 1992

## 173 (IX). Credentials of representatives to the ninth session of the Conference

The United Nations Conference on Trade and Development

Approves the report of the Credentials Committee. 2/

251st plenary meeting
11 May 1992

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2/ The report of the Credentials Committee, issued at the Conference in TD/376, is reproduced in annex VI.

## Part Two

# STATEMENTS OF POSITION IN RELATION TO THE ACTION TAKEN BY THE CONFERENCE AT ITS 251ST (CLOSING) PLENARY MEETING ON 11 MAY 1996

1. Upon the adoption of the Midrand Declaration and final document of the Conference, namely "A Partnership for Growth and Development" (cf. Part One, section A), the statements reported below were made by the representatives of Cuba, Islamic Republic of Iran, Colombia and United States of America.

2. The representative of **Cuba** said that his delegation shared the general exhilaration and satisfaction at the adoption of the Midrand Declaration and the final document of the Conference. In their collective wisdom, the participants had saved UNCTAD, as a universal institution dealing with international economic problems from the standpoint of development, from extinction or from possible conversion into a mere technical assistance agency for trade - this despite the views of those who, only a few months ago, had been denying UNCTAD's right to exist. The Republic of South Africa was a symbol of future hope for everyone, but for Cubans it was also a paragon of brotherhood and solidarity in the fight against the now-defunct regime of apartheid. There was thus something highly symbolic in the fact that UNCTAD's renaissance should have taken place in the homeland of President Nelson Mandela.

3. And so, impelled by the spirit of Cartagena, the Conference was ending on an optimistic note, with a vision of UNCTAD founded on the "Partnership for Growth and Development". However, this spirit could not be translated into practical effect while international economic relations continued to be marred by the principle of might is right. Unilateral and extraterritorial measures were being applied, often coercively and for political ends, in contempt of current international law and the rules of the international trading system, and in flagrant violation of the sovereignty of States and the principle of self-determination. For these reasons, the Cuban delegation could only deplore the fact that, in the final document of the Conference, there was not the slightest explicit reference to the use of such measures, notwithstanding paragraph (e) of the Plan of Action adopted by the Social Development Summit in Copenhagen concerning measures that impeded full social and economic development. Such unilateral measures - suspended like the sword of Damocles over any country, great or small, developed or developing - now constituted the greatest threat to the new multilateral trading system currently under construction.

4. The Ministerial Declarations of the regional groups, and above all the Ministerial Declaration of the Group of 77, underlined the negative character of these measures, and a formulation on this matter had been retained in the negotiating process of the Conference right up to the last minute. Regrettably,

this reference had been removed when virtually one country had vetoed any wording whatsoever on this subject in the final document.

5. In the opinion of the Cuban delegation, for as long as the principle of the survival of the fittest prevailed in economic relations and negotiations, there could be no true partnership. Let that principle once be discarded and the way would be open to cooperation among all nations.

6. The representative of the **Islamic Republic of Iran** expressed his delegation's profound satisfaction at the very real success of the Conference in founding a new era of multilateralism in the world economy at the turn of the century - multilateralism not only in trade but also in the geopolitics of global development. Divergent viewpoints and clashes of interest among countries participating in UNCTAD's universal and multilateral negotiations for development had been, and would continue to be, conducive to the emergence of new ideas and solutions to current problems. This multilateral process could lead naturally to the trend of globalization. In this context, he recalled that exclusion had been the main theme of the Round Table of Heads of State. Exclusionary impulses in the multilateral system of trade and development slowed down its functioning and undermined its credibility, reinforcing tendencies to revert to bilateral approaches and hence to retreat from the ideas enshrined in the Midrand Declaration. The Declaration marked a point of departure for a new wave of global development activities. However, hidden and overt moves towards unilateralism and discriminatory measures were against the spirit of Midrand. It was to be hoped that the success of UNCTAD IX lay in the course it had set for a more concrete partnership for the future.

7. The representative of **Colombia**, having commended the Committee of the Whole on the excellent work done in negotiating the text of the final document just adopted by the Conference (TD/L.359), drew attention to the need for the secretariat to verify carefully the translation of the Spanish version of the whole text and, in particular, paragraph 71.

8. The representative of the **United States of America** said that her delegation had come to South Africa to achieve success, not at the expense of other delegations, but in cooperation with them. The atmosphere at UNCTAD IX had transcended once and for all the divisions and polarizations of previous sessions of the Conference - divisions which had been notable especially before UNCTAD VIII and which had prevented UNCTAD from achieving its full potential. This Conference had given UNCTAD the possibility of realizing that potential. The United States, wishing to reinforce its partnership for development and growth, saw the outcome in Midrand as a "win-win" result and looked forward to full implementation of the action plan. The Conference had taken an important step in adopting a new prioritized programme of work for UNCTAD, complemented by streamlined institutional structures. The next task was to put these structures to use. If the international community succeeded in this, it would be much easier at the tenth session of the Conference in Bangkok to set the next stage of the work plan. She believed there would now be more opportunity to focus on the lessons learned from success and to recognize the challenges to be faced in the future.

9. In setting forth its views on a new partnership for sustainable development, the United States had emphasized that participatory government, market-based economic structures, respect for human rights and the rule of law, and sound environmental policies constituted the foundation for sustainable development and growth. These ingredients were all equally indispensable for successful integration into the world economy. Her country had recognized the importance of reinforcing the rule-based trading system and the necessity of respecting its principles. South Africa, the host country, was itself on a new democratic course that was remarkable for its spirit of reconciliation, peace and cooperation. Her delegation hoped to infuse a portion of that spirit into UNCTAD's work, and it looked forward to working with the President of the Conference to that end over the next four years.

# Part Three

# OUTCOMES OF SESSIONAL BODIES OF THE CONFERENCE AND OF MINISTERIAL MEETINGS

## A. Report by the Chairman of the Committee of the Whole

1. At the 251st (closing) plenary meeting of the Conference, on 11 May 1996, the Chairman of the Committee of the Whole, Mr. William Rossier (Switzerland), made the following oral report on the work and outcome of the Committee of the Whole:

> I have the honour to present the outcome of the deliberations of the Committee of the Whole under agenda item 8, which is before the Conference in the document entitled "A Partnership for Growth and Development" (TD/L.359). This text is the result of intensive and often difficult negotiations that took place during the past two weeks. The results speak for themselves, and we have every justification to be proud of our achievement. For I believe that this is a case of a win-win situation where every partner committed to this document is proud of his success and achievement. I wish to thank the three Chairmen of the Drafting Groups, Ambassador Kasavapani of Singapore, Ambassador Ali M'Chumo of United Republic of Tanzania and Ambassador Skogmo of Norway, together with their associates, who made this outcome possible. I should also like to pay tribute to the President of the Conference, Minister Alec Erwin of South Africa, for his unfailing support, confidence, open-mindedness, competence and intelligence, all of which incited the participants to work as a close team and had a decisive effect on the outcome. We have all been inspired by the spirit of South Africa and Midrand, and I trust that this spirit will continue to inspire UNCTAD's work and the international community.
>
> On behalf of the Committee of the Whole, I now have the honour to submit to you the draft final text in TD/L.359 for approval and adoption by the Conference.

## B. Outcome of Ministerial meetings

1. The Eighth Ministerial Meeting of the Group of 77, convened in Midrand on 28 April 1996, adopted the "Ministerial Declaration of the Group of 77", which was subsequently submitted to the Conference in TD/372. 3/

2. The Meeting of Ministers of Least Developed Countries, held in Midrand on 1 May 1996, adopted the "Declaration of the Ministerial Meeting of the Least Developed Countries", which was subsequently circulated to the Conference in TD/373. 4/

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3/ For the text, see annex IV.

4/ For the text, see annex V.

# Part Four

# ORGANIZATIONAL AND PROCEDURAL MATTERS

## A. Opening of the Conference

(Agenda item 1)

1. In accordance with rule 16 of the rules of procedure of the Conference, the ninth session of the United Nations Conference on Trade and Development was declared open on 27 April 1996 by H.E. Mr. Juan Manuel Santos (Colombia), President of the eighth session of the Conference.

## B. Election of the President

(Agenda item 2)

2. At its 240th (opening) meeting, on 27 April 1996, the Conference elected by acclamation as its President H.E. Mr. Alec Erwin, Minister for Trade and Industry of South Africa.

## C. Report of the pre-Conference Meeting of Senior Officials

3. At its 241st meeting, on 30 April 1996, the Conference heard an oral report on the pre-Conference Meeting of Senior Officials, held in Midrand on 26 April 1996, by Mr. William Rossier (Switzerland), President of the Trade and Development Board, in his capacity as Chairman of the Meeting of Senior Officials. The Conference endorsed the proposals and recommendations set forth in the report of the Meeting regarding the procedural and organizational aspects of the work of the ninth session (TD/371).

## D. Election of Vice-Presidents and the Rapporteur

(Agenda item 4)

4. At its 241st meeting, on 30 April 1996, the Conference elected Mrs. Carmen Luz Guarda (Chile) as its Rapporteur.

5. At the same meeting, the Conference elected Mr. William Rossier (Switzerland) to serve as Chairman of the Committee of the Whole.

6. In accordance with the distribution of the posts of Vice-Presidents of the Conference recommended by the Pre-Conference Meeting of Senior Officials (cf. TD/371, para. 11), the Conference declared elected the 32 officers who were to serve as Vice-Presidents. (For the complete Bureau, see para. 8 below).

## E. Bureau of the Conference

7. In accordance with rule 22 of the rules of procedure of the Conference, the Bureau of the Conference consisted of the following 35 members: the President and the Vice-Presidents of the Conference, the Rapporteur of the Conference, and the Chairman of the Committee of the Whole. The Conference further decided that the composition of its Bureau should be based on the same geographical distribution as that of the Bureau at its eighth session, namely seven members from Africa, seven from Asia, seven from Latin America and the Caribbean, nine from Group B, four from Group D, and China.

8. As a result of the elections reported in sections B and D above, the Bureau of the Conference at its ninth session was as follows:

President of the Conference:

| | |
|---|---|
| Mr. Alec Erwin | South Africa |

Rapporteur:

| | |
|---|---|
| Mrs. Carmen Luz Guarda | Chile |

Chairman of the Committee of the Whole:

| | |
|---|---|
| Mr. William Rossier | Switzerland |

Vice-Presidents:

| | |
|---|---|
| Mr. Kassahun Ayele | Ethiopia |
| Mr. Ferdinant Kacou Angora | Côte d'Ivoire |
| Mr. Carlos Perez Del Castillo | Uruguay |
| Mr. John Cooke | United Kingdom of Great Britain and Northern Ireland |
| Mr. Philippe Cuvillier | France |
| Mr. Bjorn Ekblom | Finland |
| Mr. Minoru Endo | Japan |
| Mr. Mohamed Ennaceur | Tunisia |
| Mr. Victor Gladush | Ukraine |
| Mr. Ro-Myung Gong | Republic of Korea |
| Mr. Y.N. Grekov | Russian Federation |
| Mr. A.H. Mofazzal Karim | Bangladesh |
| Mr. Tejendra Khanna | India |
| Mr. Abdallah O. Kigoda | United Republic of Tanzania |
| Ms. Melinda Kimble | United States of America |
| Mr. Yongtu Long | China |
| Mr. Hans Meyer | Peru |

| | |
|---|---|
| Mr. Patricio Izurieta Mora-Bowen | Ecuador |
| Mr. Luis Noreiga Morales | Guatemala |
| Hon. Seymour St. Edward Mullings | Jamaica |
| Mr. Sirous Nasseri | Islamic Republic of Iran |
| Mr. Ernesto Ordonez | Philippines |
| Mr. Atanas Paparizov | Bulgaria |
| Mr. George Chr. Penders | Netherlands |
| Mr. Gunter Pleuger | Germany |
| Mr. Ali Abu Raghib | Jordan |
| Mr. Ricardo Cabrisas Ruiz | Cuba |
| Mr. P.N. Sinyinza | Zambia |
| Mr. Miroslav Somol | Czech Republic |
| Mr. Thomas Souah | Gabon |
| Mr. Tugay Ulucevik | Turkey |
| Mr. Amnuay Viravan | Thailand |

9. In accordance with past practice, the Conference decided that the chairmen of other sessional bodies and the coordinators of regional groups would be fully associated with the work of the Bureau.

## F. Adoption of the agenda

(Agenda item 6)

10. At its 241st meeting, on 30 April 1996, the Conference adopted the provisional agenda for its ninth session (TD/365) and approved the suggestions for the organization of work of the session (TD/365/Add.1).

## G. Establishment of sessional bodies

(Agenda item 3)

11. At its 241st meeting, acting on the recommendation of the Meeting of Senior Officials, the Conference decided to establish a Committee of the Whole, open to the participation of all members of the Conference, to consider and report on the substantive item (agenda item 8) referred to it by the plenary.

12. The Conference agreed to the recommendation made by the Meeting of Senior Officials that the Committee of the Whole establish subsidiary drafting groups to consider and report to it on the issues referred to them.

13. At its 1st meeting, on 30 April 1996, the Committee of the Whole established three subsidiary drafting groups, as follows:

- Drafting Group I, under the chairmanship of Mr. K. Kesavapany (Singapore)

- Drafting Group II, under the chairmanship of Mr. A. Mchumo (United Republic of Tanzania)

- Drafting Group III, under the chairmanship of Mr. B. Skogmo (Norway).

14. At its 2nd meeting, on 1 May 1996, the Committee of the Whole made a preliminary allocation of the work to be done on the pre-Conference text (TD/367) as follows:

Drafting Group I: Globalization, trade and commodities

Paragraphs

9 - 19 ter
21 - 30
32 - 35
46 - 70 bis
78 - 80
85 - 86

Drafting Group II: Investment, science and technology, enterprise development, trade-supporting infrastructure and trade efficiency

Paragraphs

20 - 20 bis
31
36 - 45 ter
71 - 74
81 - 84
87 - 90

Drafting Group III: Institutional issues and technical cooperation

Paragraphs

75 - 77 bis
91 - 110
Annex 1

## H. Credentials of representatives to the Conference

(Agenda item 5)

### (a) Appointment of the Credentials Committee

15. At its 241st meeting, on 30 April 1996, the Conference established a Credentials Committee composed of the same nine States as had been appointed by the United Nations General Assembly to serve on the Credentials Committee at its fiftieth session, i.e. Trinidad and Tobago (Chairman); China, Luxembourg, Mali, Marshall Islands, Russian Federation, South Africa, United States of America, and Venezuela.

16. In accordance with past practice, the Conference agreed that, should any of the above States not be represented at the Conference, the regional group concerned be requested to nominate a replacement.

### (b) Report of the Credentials Committee

17. At its 251st (closing) plenary meeting, on 11 May 1996, the Conference adopted the report of the Credentials Committee (TD/376) 1/ and also adopted the draft resolution contained in paragraph 8 thereof. 2/

## I. Other business

(Agenda item 9)

### (a) Periodic review by the Conference of the lists of States contained in the annex to General Assembly resolution 1995 (XIX)

18. At its 251st meeting, on 11 May 1996, the Conference endorsed the recommendations of the Trade and Development Board in TD(IX)/CRP.1 and authorized the Board to consult further on the placement of those other States which had not yet indicated their preference for inclusion or adjustment in any of the lists of States annexed to General Assembly resolution 1995 (XIX) and to report directly this year (1996), as an exception, to the fifth-first session of the United Nations General Assembly in concurrence with the report of the Conference.

19. As recommended in TD(IX)/CRP.1, the Conference thus confirmed the placement of the following States which had become members of UNCTAD since the seventh session of the Conference in the lists of States annexed to General Assembly resolution 1995 (XIX), as follows:

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1/ Reproduced in annex VI.

2/ For the resolution, see part one, section C (resolution 173 (IX)).

List A

Bosnia and Herzegovina
Eritrea
Marshall Islands
Micronesia (Federated States of)

List B

Andorra

List D

Azerbaijan
Croatia
Czech Republic
Georgia
Latvia
Slovakia
Slovenia
The former Yugoslav Republic
of Macedonia

20. States which had become members of UNCTAD since the seventh session of the Conference and which had not yet applied for inclusion in any of the lists annexed to the General Assembly resolution were, as recorded in section III of TD(IX)/CRP.1, the following:

Armenia
Estonia
Kazakstan
Kyrgyzstan
Lithuania
Palau
Republic of Moldova
Tajikistan
Turkmenistan
Uzbekistan

(b) Report of the Trade and Development Board to the Conference

21. At the same meeting, the Conference took note of the secretariat note entitled "Report of the Trade and Development Board to the Conference" (TD/368), which drew attention to the reports of the Board on the sessions which it had held since the eighth session of the Conference.

### (c) Designation of intergovernmental bodies for the purposes of rule 80 of the rules of procedure of the Conference

22. At the same meeting, the Conference noted that the secretariat had received no new applications during the current session from intergovernmental bodies for designation for the purposes of paragraphs 18 and 19 of General Assembly resolution 1995 (XIX).

### (d) Review of the calendar of meetings

23. At the same meeting, the Conference decided to entrust the Trade and Development Board, at its first session after the Conference, with the task of establishing the calendar of UNCTAD meetings for the second half of 1996, in conformity with the principles adopted by the Conference in its final document. In discharging its responsibilities in this regard, the Board would, as appropriate, work through its Bureau.

### (e) Financial implications of the actions of the Conference

24. At the same meeting, the Conference noted that there were no additional financial implications arising from the decisions and actions of the Conference at its ninth session.

## J. Adoption of the report of the Conference to the General Assembly

(Agenda item 10)

25. At the 251st (closing) meeting, on 11 May 1996, the Rapporteur, Mrs. Carmen Luz Guarda (Chile), introduced the draft report of the Conference on its ninth session (TD/L.355). The Conference adopted the draft report and, in accordance with the usual procedure, authorized the Rapporteur to complete the final report of the Conference to the United Nations General Assembly.

## K. Closure of the ninth session of the Conference

26. After the adoption by the Conference of resolution 172 (IX) entitled "Expression of gratitude to the Government and people of the Republic of South Africa" 3/ and the closing statements made by the representatives of Cameroon (on behalf of the Group of 77), Egypt (on behalf of the African Group), Ghana (as Chairperson of the African Group in Geneva), Costa Rica (on behalf of the Latin American and Caribbean Group), Malaysia (on behalf of the Asian Group), Turkey (on behalf of Group B), Italy (on behalf of the European Union), China, Japan, Russian Federation, Australia, Afghanistan, Canada, United Kingdom, Thailand, and the Secretary-General of UNCTAD, the President of the Conference, at the 251st meeting on 11 May 1996, made a concluding statement and declared the ninth session of the Conference closed.

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3/ See part one, section C.

## ANNEXES

### Annex I

### AGENDA FOR THE NINTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT */

1. Opening of the Conference

2. Election of the President

3. Establishment of sessional bodies

4. Election of Vice-Presidents and the Rapporteur

5. Credentials of representatives to the Conference:

   (a) Appointment of the Credentials Committee

   (b) Report of the Credentials Committee

6. Adoption of the agenda

7. General debate

8. Promoting growth and sustainable development in a globalizing and liberalizing world economy

   Meeting the challenge of maximizing the developmental impact of globalization and liberalization, while minimizing the risks of marginalization and instability. Towards this end, the Conference will deal with the following topics:

   (a) Development policies and strategies in an increasingly interdependent world economy in the 1990s and beyond

      (i) Assessment of the development problematique in the current context

      (ii) Policies and strategies for the future

   (b) Promoting international trade as an instrument for development in the post-Uruguay Round world

   (c) Promoting enterprise development and competitiveness in developing countries and countries in transition

   (d) Future work of UNCTAD in accordance with its mandate; institutional implications

9. Other business

10. Adoption of the report of the Conference to the General Assembly.

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*/ As adopted by the Conference at its 241st plenary meeting, on 30 April 1996.

## Annex II

**LIST OF SPEAKERS IN THE GENERAL DEBATE */**
**(30 April - 3 May 1996)**

Tuesday 30 April 1996 (9.30 a.m.)
241st plenary

1. Mr. Rubens RICUPERO, Secretary-General of UNCTAD

2. Mr. Mario D'URSO, Deputy Minister for Foreign Trade of Italy, Presidency of the European Union

3. Mr. Alfred NZO, President of the Eighth Ministerial Meeting of the Group of 77 and China

4. Mr. Rodrigo PARDO, Minister of Foreign Affairs of Colombia, on behalf of the Non-Aligned Movement

5. Mr. A.H. Mofazzal KARIM, Secretary, Ministry of Commerce of Bangladesh, on behalf of the Least Developed Countries

6. Ms. Kari NORDHEIM-LARSEN, Minister for Development Cooperation of Norway, President of the High-Level Intergovernmental Meeting on the Mid-term Global Review on the Implementation of the Programme of Action for the Least Developed Countries for the 1990s

Tuesday 30 April 1996 (3.00 p.m.)
242nd plenary meeting

1. Prof. Joao DE DEUS PINHEIRO, Commissioner of the European Commission for External relations with African, Caribbean and Pacific countries (ACP) and also with South Africa

2. Mr. Yukihiko IKEDA, Minister for Foreign Affairs of Japan

3. Mr. Amnuay VIRAVAN, Deputy Prime Minister of Thailand

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*/ In addition to the formal statements in the general debate (agenda item 7) listed in this annex, interventions in exercise of the right of reply were made by the representatives of Greece, The former Yugoslav Republic of Macedonia and the United Kingdom of Great Britain and Northern Ireland. Statements in the general debate, including those made in exercise of the right of reply, will be reproduced in volume II of the Proceedings of the United Nations Conference on Trade and Development, ninth session.

4. Mr. Anthony NELSON, Minister for Trade of the United Kingdom of Great Britain and Northern Ireland

5. Mr. Ro-Myung GONG, Minister for Foreign Affairs of the Republic of Korea

6. Mr. Franz BLANKART, Secretary of State for Foreign Economic Affairs of Switzerland

7. Mr. Osama Jafar FAQUIH, Minister of Trade of Saudi Arabia

8. Mrs. WU Yi, Minister of Foreign Trade and Economic Cooperation of China

9. Mr. Ole NORRBACK, Minister for European Affairs and Foreign Trade of Finland

10. Mr. Yuri N. GREKOV, First Deputy Minister of External Economic Relations of the Russian Federation

11. Mr. Dan K. ABODAKPI, Deputy Minister of Trade and Industry of Ghana

12. Mr. John GODFREY, M.P. Parliamentary Secretary to the Minister for International Cooperation for the Francophonie of Canada

13. Mr. Yahya Ale ISHAGH, Minister of Commerce of the Islamic Republic of Iran

14. Mr. Georges WOHLFART, Secretary of State for Foreign Affairs, External Trade and Cooperation of Luxembourg

15. Mr. Alfredo V. CHIARADÍA, Deputy Secretary for International Economic Relations, Ministry of Foreign Affairs and International Trade of Argentina

16. Ms. A. VAN DOK-VAN WEELE, Minister of Foreign Trade of The Netherlands

17. Mr. Mohammed MAHDI SALIH, Minister of Trade of Iraq

18. Mr. José P. Luiz GOMES, President of the Institute for Portuguese Cooperation of Portugal

19. Mr. Vijay S. MAKHAN, Assistant Secretary-General of the Organization of African Unity in charge of the Economic Development and Cooperation (OAU)

20. Mr. Mohamed ELALAMI, Minister of Foreign Trade of Morocco

21. Mr. Goce PETRESKI, Ambassador, Permanent Representative of The former Yugoslav Republic of Macedonia in Geneva

22. Mr. Stylianos PERRAKIS, Secretary-General, European Affairs, Ministry of Foreign Affairs of Greece

23. Mr. Luis MAIRA AGUIRRE, Minister of Planning of Chile

24. Mr. Sela MOLISA, Minister for Commerce, Industry and Cooperatives of Vanuatu

Wednesday 1 May 1996 (10.30 a.m.)
243rd plenary meeting

1. Mr. Mohamed ENNACEUR, Ambassador, Permanent Representative of Tunisia

2. Mr. Pehin Dato Haji Abdul Rahman TAIB, Minister of Industry and Primary Resources of Brunei Darussalam

3. Mr. KERK Choo Ting, Deputy Minister of International Trade and Industry of Malaysia

4. Mr. Temel ISKIT, Deputy Under-Secretary, Ministry of Foreign Affairs of Turkey

5. Mr. Ida Bagus SUDJANA, Minister of Mining and Energy of Indonesia

6. Mr. Ferdinand KACOU ANGORA, Minister of Trade of Côte d'Ivoire

7. Mr. Koo Tsai KEE, Parliamentary Secretary, Ministry of Finance of Singapore

8. Mr. Abdulraouf AL-MUBÂRAK, Under-Secretary, Ministry of Economy and Commerce of the United Arab Emirates

9. Mr. Makoto TANIGUCHI, Deputy Secretary-General of the Organisation for Economic Cooperation and Development (OECD)

10. Mr. Romulus Ioan POPESCU, Minister of Trade of Romania

11. Mr. Sergio GONZÁLEZ GÁLVEZ, Under-Secretary for Multilateral Affairs, External Relations Secretariat of Mexico

12. Mr. Jacek BUCHACZ, Minister for Foreign Economic Relations of Poland

13. Mr. J. Denis BELISLE, Executive Director of the International Trade Centre UNCTAD/WTO

14. Mr. Justus A.A. MUDAVADI, High Commissioner on behalf of The Honourable J.F.K. BARMASAI M.P., Assistant Minister for Commerce and Industry of Kenya

15. Mr. Hazem KAWASMI, representative of Palestine

Wednesday 1 May 1996 (3.00 p.m.)
244th plenary meeting

1. Mr. Réginald MOREELS, Secretary of State for Development Cooperation of Belgium

2. Ms. Kari NORDHEIM-LARSEN, Minister for Development Cooperation of Norway

3. Mr. Peter BRÖCKNER, Under-Secretary for Multilateral Affairs, Ministry of Foreign Affairs of Denmark

4. Mr. Miroslav SOMOL, Deputy Minister of Industry and Trade of the Czech Republic

5. Mr. Ricardo Cabrisas RUIZ, Minister for Foreign Trade of Cuba

6. Mr. Raimundo PEREZ-HERNANDEZ, Ambassador, Permanent Representative of Spain in Geneva

7. Mr. Jigmi Y. THINLEY, Deputy Minister, Permanent Representative of Bhutan in Geneva

8. Dr. Norbert LAMMERT, Parlamentary State Secretary, Federal Ministry of Economics of Germany

9. Mr. Jesús SEADE, Deputy Director-General of the World Trade Organization (WTO)

10. Mr. Federico Alberto CUELLO, Technical Under-Secretary of the Presidency of the Dominican Republic

11. Ms. Joanna HEWITT, Deputy Secretary, Department of Foreign Affairs and Trade of Australia

12. Mr. Victor GLADUSH, First Deputy Minister for Foreign Economic Relations and Trade of Ukraine

13. Mr. Pavel HRMO, State Secretary, Ministry of Economy of Slovakia

14. Mr. H.M. MURERWA, Minister of Industry and Commerce of Zimbabwe

Wednesday 1 May 1996 (6.30 p.m.)
245th plenary meeting

1. Mr. Yo MARUNO, Managing Director, United Nations Industrial Development Organization (UNIDO)

2. Mr. Jaona RAVALOSON, Ambassador, Permanent Representative of Madagascar in Geneva

3. Mr. Werner CORRALES, Ambassador, Head of the Delegation of Venezuela

4. Mr. Brendan HOWLIN M.P., Minister for the Environment of Ireland

5. Mr. Ernesto ORDONEZ, Deputy Minister of Trade and Industry of the Philippines

6. Mr. Nguyen Xuan QUANG, Vice-Minister of Commerce of Viet Nam

7. Mr. Hilal AL-MUTAIRI, Minister of Commerce and Industry of Kuwait

8. Mr. M.U. OFFOR, Acting High Commissioner of Nigeria to South Africa

9. Mr. Michael BARTOLO, Ambassador, Permanent Representative of Malta in Geneva

10. Mr. V. TSEPKALO, Vice-Minister of Foreign Affairs of Belarus

11. Mr. B.C.Y. FREEZAILAH, Executive Director of the International Tropical Timber Organization (ITTO)

12. Mr. Rolf W. BOEHNKE, Managing Director of the Common Fund for Commodities

13. Mr. Yves Berthelot, Executive Secretary of the Economic Commission for Europe, speaking also on behalf of United Nations Regional Commissions (ECA/ECE/ECLAC/ESCAP/ESCWA)

14. Mr. Denis BENN, Director, Special Unit for Technical Cooperation Among Developing Countries, United Nations Development Programme (UNDP)

15. Ms. Kerstin TRONE, Deputy Executive Director of the United Nations Population Fund (UNFPA)

Thursday 2 May 1996 (10.30 a.m.)
246th plenary meeting

1. Mr. Fatteh SINGH THARU, Minister of Commerce of Nepal

2. Mr. Tejendra KHANNA, Commerce Secretary of India

3. Ms. Melinda L. KIMBLE, Deputy Assistant Secretary of State, Bureau of International Organizations Affairs, Department of State of the United States of America

4. Mr. Victor RICO FRONTAURA, Secretary for International Economic Relations, Ministry of Foreign Affairs of Bolivia

5. Mr. Kingsley T. WICKREMARATINE, Minister of Internal and External trade, Commerce and Food of Sri Lanka

6. Mr. Carlos PÉREZ DEL CASTILLO, Vice-Minister for External Relations of Uruguay

7. Mr. Mounir ZAHRAN, Ambassador, Permanent Representative of Egypt in Geneva

8. Mr. Paul TIPPING, Director, Policy Projects, Ministry of Foreign Affairs and Trade of New Zealand

9. Mr. Imre DUNAI, Minister of Industry and Trade of Hungary

10. Mr. Oldemiro BALOI, Minister of Industry, Commerce and Tourism of Mozambique

11. Mr. TSOGT Tsevegmid, Minister for Trade and Industry of Mongolia

12. Mr. Atanas PAPARIZOV, Minister of Trade and Foreign Economic Cooperation of Bulgaria

13. Mr. Patricio IZURIETA MORA-BOWEN, Under-Secretary for International Economic Policy, Minister of External Relations of Ecuador

14. Mr. Kim Tong MYONG, Vice-Chairman of the Commission for External Economic Relations of the Democratic People's Republic of Korea

Thursday 2 May 1996 (3.00 p.m.)
247th plenary meeting

1. Mr. A.S. HAMBAYI, M.P., Acting Minister of Commerce, Trade and Industry of Zambia

2. Mr. Nestor OSORIO, Head of the delegation of Colombia

3. Mr. Jacques GODFRAIN, Minister responsible for Cooperation, France

4. Mr. Seymour St. Edward MULLINGS, M.P., Deputy Prime Minister and Minister of Foreign Affairs and Foreign Trade of Jamaica

5. Mr. Davor STERN, Minister of Economy of Croatia

6. Mr. Abdelkarim HARCHAOUI, Minister of Trade of Algeria

7. Mr. Kassahun AYELE, Minister of Trade and Industry of Ethiopia

8. Mr. Juan José MEIER, Ambassador of Peru to South Africa

9. Mr. Pierre ELOUNDOU MANI, Minister for Commercial and Industrial Development of Cameroon

10. Mr. Francisco Gomes MAIATO, Minister of Trade and Tourism of Angola

11. Mr. Ali Saleh AL-SALEH, Minister of Commerce of Bahrain

12. Mr. Sekou KONATE, Minister for Trade, Industry and SMEs of Guinea

13. Mr. Abdallah O. KIGODA, Minister for Industries and Trade of the United Republic of Tanzania

14. Mr. Alounkeo KITTIKHOUN, Ambassador Extraordinary and Plenipotentiary, Permanent Representative of the Lao People's Democratic Republic

15. Mr. Rajkeswur PURRYAG, M.P., Minister of Economic Planning Information and Telecommunication of Mauritius

16. Mr. Javier BONAGAS, Special Ambassador to UNCTAD IX, Panama

Thursday 2 May 1996 (6.30 p.m.)
248th plenary meeting

1. Mr. Motahar ALSAIDI, Deputy Minister of Planning and Development of Yemen

2. Mr. Berekhet-Ab Habiemariam Ogbazghi, Director of Foreign and Domestic Trade Division, Ministry of Trade and Industry of Eritrea

3. Mr. Ferdinand KACOU ANGORA, Ministre du Commerce de la Côte d'Ivoire on behalf of the African, Caribbean and Pacific Group of States (ACP)

4. Mr. Edouard KOUAME, Executive Director of the International Cocoa Organization (ICCO)

5. Mr. Martin KHOR, Third World Network

6. Mr. Dan CUNNIAH, Assistant Director of the International Confederation of Free Trade Unions (ICFTU)

7. Mr. Hans ALDERS, Director and Executive Coordinator Globalization, United Nations Environment Programme (UNEP)

Friday 3 May 1996 (10.30 a.m.)
249th plenary meeting

1. Mr. Richard KAIJUKA, Minister of Trade and Industry of Uganda

2. Mr. Björn VON SYDOW, Minister of Industry and Commerce of Sweden

3. Monsignor Diarmuid MARTIN, Secretary of the Pontifical Council "Justice and Peace", representative of the Holy See

4. Mr. Jozef SESTÁK, State Secretary for Foreign Affairs of Slovakia, speaking on behalf of the Central European Free Trade Agreement (CEFTA)

5. Mr. Mustafa A. SOUREJ, Under-Secretary, Minister of Commerce of Sudan

6. Mr. Reaz RAHMAN, Ambassador, Permanent Representative of Bangladesh in New York

7. Mr. Abdul-Hafiz ZLITNI, Minister of Planning, Economy and Trade of the Libyan Arab Jamahiriya

8. Mr. René Antonio LEON, Vice-Minister of the Economy, Ministry of the Economy of El Salvador

9. Mr. Harald KREID, Ambassador, Permanent Mission of Austria in Geneva

10. Mr. Salman Faruqi, Secretary and Deputy Minister of Commerce of Pakistan

11. Mr. Neville Yosef LAMDAN, Ambassador Extraordinary and Plenipotentiary, Permanent Representative of Israel in Geneva

12. Mr. Alhassane AG HAMED MOUSSA, National Director of Economic Affairs of Mali

13. Mr. U. AYE, Ambassador, Permanent Representative of Myanmar, in Geneva

Friday 3 May 1996 (3.00 p.m.)
250th plenary meeting

1. Mr. Sotirio ZACKHEOS, Ambassador, Permanent Representative of Cyprus in Geneva

2. Mr. Randolph YAOVI, Ambassador, Technical Adviser to the Ministry of Economic and Rural Planning of Togo

3. Mr. Shapua Kaukungwa, Namibian High Commissioner to South Africa

4. Mr. Tito MBOWENI, Minister of Labour of South Africa

5. Mr. Gilberto SABOIA, Ambassador, Deputy Permanent Representative of Brazil

6. Mr. Hayalullah AZIZI, President and Managing Director, Banke MILLE AFGAHAN, Head of the delegation of Afghanistan

7. Mr. Charbel STEPHAN, Chargé d'Affaires, Embassy of Lebanon in South Africa

8. Mr. H. DE HAEN, Assistant Director General, Economic and Social Department of the Food and Agriculture Organization (FAO)

9. Mr. Fausto LUCHETTI, Executive Director of the International Olive Oil Council (IOOC)

10. Mr. Pradeep S. MEHTA (Consumers International)

11. Mr. Harold O.M. ROCHA, World Federation of United Nations Associations (WFUNA)

12. Ms. Audrey Rose, World Confederation of Labour (WCL)

## Annex III

## ADDRESSES DELIVERED TO THE INAUGURAL CEREMONY AND OTHER KEYNOTE STATEMENTS

### A. Addresses delivered to the Inaugural Ceremony, on 27 April 1996

#### 1. Address by H.E. Mr. Nelson Mandela, President of the Republic of South Africa

This great gathering comes at a critical moment as the world faces the challenges of development and world poverty. For South Africa it is a privilege to host those who played such a vital role in our liberation. It is a special joy, on this second anniversary of our Freedom Day, to wish you all a hearty welcome. South Africa's liberation has brought the opportunity at last to address apartheid's legacy of poverty and inequality. It has brought propitious circumstances for building a framework for the promotion of sustained growth and balanced development particularly in Southern Africa. We have no illusions about the immensity of the tasks we face as a country, as a region and as a continent - but we are also confident that we are making progress and learning valuable lessons. Issues of trade and development affect the whole world, but they do have particular significance for Africa, placed by history and circumstance at the bottom of many a ladder and yet determined to realize the promise of her rebirth. We therefore thank UNCTAD for choosing our country and our continent of Africa as the location of its ninth Ministerial Conference. I would also take this opportunity to thank the Conference for the confidence it has expressed in the South African Government by electing South Africa to the presidency of UNCTAD.

When world leaders set out three decades ago to create an instrument in UNCTAD to help overcome the inequities in the world economy, they could scarcely have expected that the closing years of the century would be witness to hunger, homelessness and unemployment on such a scale as we now have. In spite of the immense economic and technological gains that have been made, in spite of the end of the Cold War, the reality is that the world at the end of the twentieth century is no more secure a place for most of its inhabitants, and that poverty and need continue to blight their lives. Though these scourges are with us still, in other respects we find ourselves in a world radically changed from that in which UNCTAD first defined the particular needs of developing countries. The old economic and trading blocs which traced the landscape of world trade have changed. The world trade regime has changed. Capital movements are freer - and more volatile - as we are experiencing in South Africa at present. Technology changes at an increasingly rapid pace and on a global scale, inducing rapid change in industrial processes.

These changes bring great opportunities - but also severe challenges and problems. They take on specific and different meanings for powerful players in the global economy and for those without power. Greater market access and free

or fair trade are prized in the capitals of the world, but hold no promise for those countries producing few goods and services with which to trade, and with no market power to pursue their interests. For much of the world, especially the least developed countries, inequities are further compounded by lack of access to instruments that were available to other countries when they were in similar positions. The danger is that, left to its own devices, the current regime can only entrench this inequality and widen the gap between rich and poor nations.

Our mission, therefore, must be shaped by the real needs of those whom history has marginalized. That we cannot leave them to the vagaries of the world economy was precisely the wisdom which informed the founding of UNCTAD. It is common cause that the United Nations has to restructure itself to meet the demands of the new millenium. In equal measure UNCTAD has to forge for itself a new position in the world economy, in the light of these changes and needs, so that it is equipped to accomplish in the twenty-first century the objectives for which it was established. Central to that new position, we are convinced, must be a "Partnership for Development", built on the ideas articulated by UNCTAD four years ago.

South Africa's own experience, as we grapple with the task of addressing our own wide disparities of wealth and poverty, highlights in particular three aspects of partnership.

Firstly, the changes in economic and trading groups which have taken place demand more flexible arrangements than a simple relation of developed to developing nations. For example, South Africa's relation to SADC, of fundamental importance to us, is a partnership very different from our partnership with the European Union. As such, each partnership would require attention to particular needs and circumstances.

Secondly, development cannot be the responsibility only of government. Success requires governments to join hands with their social partners: non-governmental organizations; the private sector; and other parts of civil society.

Lastly, all these partners need to recognize that the potential contribution of the private sector to the development process is very great indeed, whether it is in infrastructure, technological change or human resource development. In this regard, they should cooperate in making development an integral part of the pursuit of business, rather than an additional activity which it might or might not engage in.

We are confident that this Conference will strengthen our shared commitment and create the basis for strengthening the world-wide partnership for development, for prosperity and for peace. We believe that it will promote concrete support by UNCTAD for building that partnership as well as for facilitating trade and investment.

We have a shared responsibility to roll back the harsh effects of past policies. And we owe it to future generations not to perpetuate patterns of domination and dependence; of pessimism and crude self-interest. Peace and development are indivisible. Without relief of the poverty which pervades much of the world, our democracy and human rights will be for many only a formality, and always remain in jeopardy.

We are confident that the United Nations, and this Conference in particular, will take the world forward along the road of partnership and responsibility in building just and equitable relations. I wish you well in your deliberations, and hope you will have a memorable stay in our country.

2. Address by Dr. Boutros Boutros-Ghali, Secretary-General of the United Nations

Allow me, first, to express some personal thoughts. In so doing, I know I speak not only for the United Nations, and for myself, but for everyone here today.

It is deeply moving for all of us to be welcomed to South Africa by President Nelson Mandela, on the occasion of this UNCTAD IX. Nothing could show more clearly that South Africa has overcome the evils of its past. Nothing could provide clearer proof that South Africa has taken giant steps forward on the path of democracy, equality and national reconciliation. Thanks to you, Sir, South Africa has become an example to the world. South Africa is a source of pride for the international community.

You and your country waged a long struggle for social justice. UNCTAD, too, has been engaged in such a struggle. The agenda for UNCTAD IX is a challenge for the international community. Put simply, that challenge is to "promote growth and sustainable development in a globalizing and liberalizing international economy".

The global economy is now a fact of life. In the economic field, large companies are feeling the impact of technological progress and new production methods. They constantly seek increased efficiency and productivity. They are becoming global, often as part of huge transnational groups. The financial sector is already virtually globalized. Deregulation, the ending of exchange controls, and instant world-wide communication have transformed its operations. In the information field, instant and universal communication of large quantities of data is a new feature of international life. Globalization brings progress. It should be encouraged. But dangers remain. The global economy can be hard on those unable to benefit from its opportunities. Traditional ties of community and solidarity can be undermined. Whole countries and regions can become marginalized. So, the gap between rich and poor grows ever wider.

UNCTAD developed the concept of interdependence. UNCTAD understands how the different components of development come together. So today, UNCTAD's mission is as relevant as it ever was. The world has changed. But UNCTAD's basic mission has not changed. UNCTAD's mission is to ensure that international trade is a force for the durable development of all peoples and nations. That was UNCTAD's challenge yesterday. It remains UNCTAD's challenge today and tomorrow.

The very first UNCTAD convened 32 years ago in Geneva, at the invitation of the General Assembly of the United Nations. Those who framed UNCTAD's mission and purpose showed great vision and political imagination. Looking back, we can see how innovative they were. They defined the aim and purpose of UNCTAD as -

quite simply - to make international trade a key instrument of economic development.

Raul Prebisch - who later became UNCTAD's first Secretary-General - laid out, in his famous introductory report to the first UNCTAD, the main guidelines for a new third-world view of international trade policy. On this foundation were built, over time, whole new structures of international development law.

Many of those involved in these new departures were Latin Americans. Manuel Perez Guerrero was one such Latin American visionary of development. Today, in different conditions, Latin Americans continue the tradition. UNCTAD VIII, held in Cartagena, was a landmark event. I pay tribute today to the work of the current Secretary-General of UNCTAD, Mr. Rubens Ricupero. He and other Latin Americans continue today that tradition of concern for economic development and social justice.

UNCTAD's early role was to define and debate principles and policies. Studies of crucial economic and financial issues affecting developing countries were undertaken. All States were encouraged to join in. The North/South dialogue largely took place within UNCTAD, with the support of UNCTAD and the benefit of the aims of UNCTAD.

But that was not all. UNCTAD took on other roles. It became a centre for advocacy and negotiation as well. Soon after it was established, UNCTAD pioneered international commodity agreements in, for example, cocoa, rubber, jute and tropical hardwoods. UNCTAD was crucial in setting up the Integrated Programme for Commodities. And UNCTAD was instrumental in the adoption of the generalized system of preferences, and of the Convention on a Code of Conduct for Liner Conferences. UNCTAD launched a proposal for a global South/South preference system.

I must, at this stage, pay tribute to an eminent son of Africa, the late Kenneth Dadzie. He piloted the institution through the two previous Conferences, in Geneva and Cartagena. UNCTAD developed a remarkable capacity to adapt to the changing environment. But it never lost sight of its central development mission. This catalogue of UNCTAD's achievements is not intended merely to extol the past. It is not simply to review the history of a successful United Nations institution.

I refer to the past in order to point the way to UNCTAD's future. UNCTAD's history has been rich and fruitful. Today, UNCTAD remains an essential tool at the disposal of the international community. UNCTAD stands ready to assist that community to come to terms with the economic and commercial consequences of global economy.

We all realize that we are entering a new era of international trade relations. But we also realize that the rules of the emerging trade order that is currently taking shape still require much work and clarification. Trade and development law in the world society is still, for us, an area in which much work is being done.

The realization of the global nature of international trade is what prompted the establishment of the Uruguay Round of negotiations and gave rise to the new World Trade Organization (WTO). Henceforth, together with the Bretton

Woods institutions, WTO has, as its mission, to take over the regulation and oversight of international trade relations. I welcomed the establishment of this institution and I am pleased with the trusting working relationship that the United Nations has with WTO under the guidance of Mr. Renato Ruggiero. Each day we see the tremendous complementarity that exists between WTO and UNCTAD. For today, in the context of international economic institutions, the United Nations Conference on Trade and Development is in the process of finding its rightful place.

UNCTAD, in my view, must now seek to achieve the following three goals:

It must, first and foremost, be a place of consensus, a forum where countries can formulate, express and share their views on development issues. These issues often go beyond - far beyond - trade rules. For today everyone agrees that money, finance, investment, technology and trade are all increasingly interdependent. Seen from this viewpoint, the role of UNCTAD is, therefore, to participate in this integrated approach and also to emphasize the development dimension in each of these areas. Everyone is aware of how helpful this function can be to the progress of negotiations that are taking place in other forums, and particularly within the World Trade Organization.

Secondly, UNCTAD must fulfil a technical assistance role. This function must be fulfilled in particular with respect to the most disadvantaged countries. UNCTAD's mission today is to be, for the least developed countries, one of the principal agents of change. It must offer the least developed countries a way to become part of the international trade order. Thus, at the national level, UNCTAD must help the most disadvantaged countries to strengthen their infrastructure in the area of trade. Likewise, at the international level, UNCTAD must enable these States to adapt better to the trade rules that are taking shape and to benefit, equitably, from the advantages of world trade.

Finally, UNCTAD must continue to be the "conscience" and advocate of the developing and most disadvantaged countries. No other institutions can fulfil this function. We must not be blind to the fact that, in the past, this function has sometimes led UNCTAD to make proposals which, because they sought to effect reforms, some people considered unrealistic at the time. However, today we are seeing the change that UNCTAD has wrought in order to adapt - beyond considerations of ideology - to the reality of the world and of the market economy. For it is striving to reach out to the real actors of development, that is to say, the enterprises and national decision-makers, by overhauling its mission and working methods. Undoubtedly, the United Nations Conference on Trade and Development has thereby enhanced its credibility.

I should also like to stress that development in our global community should be seen in all its complexity. It cannot be reduced to economic growth alone, for it has social, political, cultural and psychological dimensions as well. Now more than ever, there is a need for the continued existence of a body which, as part of the United Nations system, is tuned into all these dimensions and all these hopes.

I should like to add, lastly, that the global nature of contemporary international society forces us to expand our ideas beyond a strict, rigid concept of relations among States. We must take into account the real situation of all the economic actors. Here again, UNCTAD has shown that it is paying close

attention to the changes taking place in the world and is trying to set up a vast economic forum with as wide a membership as possible.

This UNCTAD session bears witness to this effort. With 188 member States, it is the largest intergovernmental assembly having a mandate to promote development through trade. And thanks to the participation of private-sector agents, financial institutions, transnational corporations, non-governmental organizations and the academic and research world, UNCTAD is making an essential contribution to the achievement of one of our major goals, the democratization of international economic relations. I hope that your deliberations will give a new thrust to this process. For UNCTAD is certainly the irreplaceable - and I do mean irreplaceable - forum of the global community.

Today, we are called upon to face many difficult challenges together. We should be proud, of course, of the recovery of the international economy and of the growth of international trade, in both volume and value. Of course, we should recognize as a source of hope the fact that many developing countries, especially in Asia, are showing as good an economic performance as the most highly developed and industrialized countries. But we must also firmly resolve to deal with the overwhelming problems that weigh upon the poorest countries, especially in the African continent. I know that these concerns are at the core of your work.

In deciding to launch, together with the whole United Nations system, the World Bank and the International Monetary Fund, a Special Initiative on Africa, I wanted to help mobilize the international community. I wanted every United Nations organization to make its experience, in its own field of competence, available to Africa. But I also wanted to send a message to African men and women to help keep their confidence alive, to support their activities, to tell them that we are encouraging them in their efforts and to remind them that they do not have to face the future alone.

In speaking to you here today, I wanted to tell you how important the United Nations Conference on Trade and Development is, in my view, and how much significance I attach to its future action.

Of course, like all organizations, it must undergo reform and keep adapting to the realities of the world. But it has already done so to a large extent. Now more than ever, it is an essential organ of United Nations action in the field of trade, development, equity and social justice for all peoples and all nations. Long live South Africa! Long live Africa!

## B. Keynote statements made at the 241st plenary meeting, on 30 April 1996

### 1. Address by Mr. Alec Erwin, Minister for Trade and Industry of South Africa and President of the ninth session of the United Nations Conference on Trade and Development

I have already thanked the member States of UNCTAD for the honour they have bestowed on my country by electing South Africa to the Presidency. It is not an easy task that has been given to the Presidency. This is more particularly the case because, in the documentation I have read and in the deliberations I have heard so far, I have a real sense that UNCTAD stands poised - it can slip back or move decisively forward. There are many organizations in this world that exist simply because they exist. Their *raison d'être* is submerged in their institutional history. The complexity of their daily functioning and of the world within which they operate leads to inertia. This Conference must not allow UNCTAD to walk down that path; if it does it will cease to exist in the foreseeable future. There are many reasons why this could happen.

The changes in the global economy and the urgency with which development must be addressed will not tolerate complacency. Successful organizations are those whose members want them to exist and work to keep them changing as circumstances change. Members do not accommodate themselves to the organization's existence, they work to ensure that the organization accommodates their needs and aspirations.

I believe that UNCTAD stands poised with the potential to move in this, more positive, direction. South Africa assumes the Presidency in the firm belief that we must create in UNCTAD an organization whose participants want concrete outcomes. We cannot fail in this task. If we do, it will be a real blow to the prospects for development.

As newcomers to UNCTAD, we South Africans want to assist the process of reinvigorating the organization. Not so long ago we ourselves were faced with the horrifying prospect of failure. It may sound somewhat polemical, even dramatic, to compare the prospect South Africa faced two years ago with the apparently more measured and diplomatic choices that confront UNCTAD at this Conference. But delaying development for two billion marginalized people is to us a horrifying prospect.

I, personally, was heartened by the sense of passion conveyed by the Heads of State who addressed the enormity of the poverty problem in the Ministerial Round Table. If UNCTAD does have an important role to play in trade and development - as I believe it has - then to eliminate that role by failing to mobilize our energies during this Conference would be a great indictment on all of us.

I believe, if we are frank with ourselves, that this Conference will have to be seen to have conducted itself differently - it must exhibit a vigour, a sense of urgency and purpose and a new desire for efficiency. This will engender a confidence and momentum sorely needed in our world today.

It would seem to me that UNCTAD must look beyond its institutional history and re-examine its rationale and precise location in a changing world economy. One theme of this Conference is partnership. But what does that mean in practice. To me it means a clear definition of each other's role and function, a clear understanding of the reasons for forming the partnership and a definition of common work towards common objectives. Of course, there need to be good working relationships if the partnership is to be a good one. This Conference must, therefore, explore these notions of partnership in relation to other multilateral agencies, intergovernmental relations and institutions, the civil society and NGOs, and the private business sector.

We have to guard against complacency; we must be pro-active and innovative, and in doing so point to concrete roles which UNCTAD will play. Where it will render technical and operational assistance, these services must be driven by the need to solve problems, answer difficult questions and create new possibilities.

We have had a great start to this ninth Conference. The openness and frankness of the Heads of State and of the Agencies must point the way. As the individual charged with the Presidency, I call on all delegates to:

- Speak your minds in the Round Tables - let us address issues and seek solutions. We need fresh minds and fresh ideas;

- Be economical with words and formal courtesies;

- Work to solve the perennial problems - do not create new ones.

With your cooperation, I am sure that we can look forward to a successful Conference.

2. Address by Mr. Rubens Ricupero, Secretary-General of UNCTAD

There are times when a man has to be born again if he wishes to be saved. So it is with institutions, so it is with nations. This is why no better venue than South Africa could have been chosen for UNCTAD at the hour of its Renaissance. As this most brutal of centuries draws painfully to its end, what is happening here restores our faith in the brotherhood of man, in the power of the human spirit to heal and to forgive. South Africa is our sole consolation for the massacres of Bosnia and Rwanda. It is a living proof that miracles of peace and reconciliation still exist in our day. We were the contemporaries of Hitler and Eichmann, of Stalin and Beria. But we can proudly say that we are also the contemporaries of President Nelson Mandela, whose generosity, whose wisdom of the heart made this miracle possible. For the honour of sharing with you this unique and privileged moment of your History, of human History, we say thanks to the Government and people of South Africa, whose example will inspire us to be no less bold in the attempt to reinvent our partnership and no less successful in giving birth to a new institution.

As the Secretary-General of the United Nations, Dr. Boutros Boutros-Ghali, noted in his able summary of Saturday's two high-level round tables, globalization and the unification of markets are both "a new reality and an

irreversible reality". It is, in my view, the culmination of a long historical process of contacts and unification of cultures and civilizations that began in the sixteenth century with what later came to be known as "The Age of Discoveries".

How to promote growth and sustainable development within the context of these two widely accepted realities: finding ways to take advantage of opportunities that arise and working together to minimize the higher risks that flow from these phenomena, especially to the most vulnerable, is the key challenge before us at this ninth session of the United Nations Conference on Trade and Development.

But there is also, of course, a second major challenge before us, and that is to determine the future role of UNCTAD as an instrument for the achievement of these objectives. Despite its 32 years of service to the cause of equitable economic development, and the many achievements that UNCTAD has to its credit, UNCTAD's sole justification for its future existence must be its continued relevance and practical contributions to member States. A successful Conference will therefore be one in which you as my shareholders, to borrow a corporate metaphor, put in place a revamped and revitalized UNCTAD, one which is able to serve you even better in the years ahead.

As you know, with this objective in mind, earlier this month a sweeping reorganization of the secretariat began to take place: nine Divisions were collapsed into four, creating clusters of work designed to promote synergies between our different fields of activity, while bureaucratic support structures were sharply reduced. Let me emphasize that this restructuring has not been impelled by the United Nations financial crisis, but by the desire to bring the instrument of UNCTAD up-to-date, to reflect the many changes on the world scene of recent years.

Breathing life into the new body taking shape, by determining UNCTAD's priorities and future work programme and finding ways to accommodate the dynamic "new actors" for development - private companies and elements of civil society - will thus be your task. Many important details of the restructuring must inevitably await the outcome of this Conference. But, thereafter, the new structure should be put into effect as soon as possible with the necessary flexibility and open-mindedness to make adaptations in the light of reality. We will, of course, welcome all suggestions and ideas about how to best implement our shared goals of an improved and much more effective organization.

A successful Conference must also be one in which the intergovernmental machinery is overhauled. The Trade and Development Board made a good start to this task at its eighteenth special session in December 1995. And I believe there is a large degree of consensus among member States as to where they would like to go in this respect. Now, they must complete the job, to ensure that all the machinery of UNCTAD is fully operational soon after close of business on 11 May. To make this happen, the Conference must take up the details of such matters as the terms of reference of intergovernmental bodies.

To conclude these scene-setting remarks, the Conference should set clear priorities for the coming years. In doing so, it almost goes without saying, priority-setting should not be to the detriment of UNCTAD's broad mandate in the field of trade and development. Without the capacity for a global vision,

analysing the underpinnings of complex economic phenomena and undertaking empirical studies of successful developmental experiences, UNCTAD would be unable to offer sound technical assistance and policy advice to those who need it most.

In his latest book, *The Age of Extremes*, after concluding that the globe is now the primary operational unit in the economic sphere and that older units such as national economies are being reduced to what he calls "complications of transnational activities", the distinguished British historian Eric Hobsbawm writes the following:

> "Perhaps the most striking characteristic of the end of the twentieth century is the tension between this accelerating globalization and the inability of both public institutions and the collective behaviour of human beings to come to terms with it."

As human beings summoned to South Africa from around the globe to participate in determining the destiny of one of those public institutions, while we may agree with Hobsbawm's judgement, the task now before us is to prove him wrong. Based on the collective energy with which members engaged in pre-Conference negotiations in Geneva as well as the resounding success of Saturday's opening event, I, for one, am convinced that the auguries are good.

**An apprehensive era**

The background to this collective effort, however, is a universal climate of gripping anxiety and fear, a fear of the unknown more acute perhaps than any since the early voyagers set out on uncharted seas to unknown lands in search of treasures that often turned out to be myths. Fear is infectious. And it can be disabling. In this there is no distinction between seemingly mighty governments and humble individuals.

The pervasive malaise fuelled by fear, the possibility of a backlash against globalization, has two basic causes. The first is the fear of an uncertain future, of losing one's job, of lower pay, of countries becoming marginalized. The second cause is the feeling of injustice, the suspicion that once more the price of globalization will be paid by the poor and the weak.

Against fear, there is only one remedy. We have to demonstrate in concrete ways that there is life after globalization. People live much more from the future than from the present. But faith in the future is synonymous with hope. And hope does not thrive with injustice. As national barriers fall and a single unified market begins to take shape, competition is exacerbated. Competition, as with every game, needs fair rules and strong arbiters, rules to empower countries and people to compete on an equal footing, efficient governments and international organizations to enforce those rules.

It is in this regard that the slogan adopted by UNCTAD at Cartagena in 1992 of "A Partnership for Development" must be given real significance in the coming period. Partnership implies solidarity, standing shoulder to shoulder and helping those less equipped to cope with a more competitive global economy. The logic of competition has to be balanced by the logic of solidarity.

There, then, lies UNCTAD's vocation. UNCTAD must, and will, remain the guardian of the world's development conscience, striving for greater equity and

a narrowing of the disparities between nations. Those disparities are growing. And they may be exacerbated, at least initially, by the forces of globalization and liberalization.

But that is no reason for being faint-hearted or to abandon the challenge. It is a reason to come up with new tools, such as those of information technology, and new development strategies, particularly for LDCs, the small economies, and those dependent on export revenues from one or two commodities. We must invent new market-based ways of mobilizing private capital and expertise to create economic opportunities for the poor inside nations and for the poor countries of the world. Many of these countries are here in Africa, giving special significance to this Conference. Their growing vulnerability to the vagaries of global economic forces must be recognized by multinational institutions and the international community at large, and appropriate, adequate, timely solutions must be found.

Increasingly UNCTAD must offer practical advice and tangible support to developing countries, carefully calibrated in accordance with their differing stages of development and of integration into the world economy. At the same time, UNCTAD must retain its role as a universal forum for discussions and consensus-building on development issues, while providing members with the intellectual tools they need through the provision of high-quality, development-orientated, macroeconomic research. One without the other would be like the sound of one hand clapping.

**The task ahead**

Moving on to what specifically UNCTAD should be doing over the coming period, a useful distinction can be drawn at the outset between those developing countries which need help in developing their supply capabilities and those which have a problem of access - whether this be to markets, capital or technology. UNCTAD has the in-house capacity to work on both lines. Helping developing countries and economies in transition to integrate better, and more fully, into the international trading and economic system is clearly central.

In the light of the Uruguay Round and the establishment of the World Trade Organization, UNCTAD is uniquely equipped to undertake several interrelated tasks. Firstly, to prepare developing countries and countries in the process of accession to WTO - and there are now 29 countries in such a situation - for the new demands that will be placed upon them; to explain to them the opportunities that are provided by this more predictable regulatory environment, and to advise them on the consequences of globalization and liberalization.

Secondly, UNCTAD should be mandated to tackle, from both a macro and micro-economic perspective, the problems of marginalization and exclusion. These issues are by no means new. But the political will to do something concrete about it has, until now, been largely lacking. It would be a historic aberration if a force destined to unify and integrate the world were to end up by excluding peoples, countries and continents. The excluded two billion have not yet benefited from the universal success of the market economy model. But the market and the forces of the private sector that make it work can and must be used for the integration of the poor.

Sustainable development has been a characteristic of our work to date, and it should be encouraged and promoted further. Our work on trade and the environment is one such example. In this regard, I am convinced that the economics of the environment will shortly become a matter of growing concern and importance to policy-makers. UNCTAD would be able to make a useful contribution to the research work that has to be undertaken.

I also believe that UNCTAD must put more emphasis on investment and enterprise development. They are the fuel and the engine of growth, the only way in which jobs can be created. UNCTAD shares with others the conviction that the promotion of small and medium-sized enterprises in particular is vital for developing countries. At the same time, transnational companies have the capacity to provide countries with an unrivalled package of assets for growth and development. As UNCTAD has noted, a growing number of these big players on the world stage are based in developing countries.

The relationship between UNCTAD and WTO has been a question mark for some people of late. Any misgivings about whether there is room for the two organizations should be laid to rest. Strong and growing links are being established between us in a clearly complementary and mutually supportive relationship. The joint technical assistance programme that Mr. Ruggiero and I announced on 26 April 1996 for Africa should be proof of this assertion.

If it is true that NGOs, development institutes and other parts of the civil society are playing an increasingly dynamic role in development, then it is incumbent on us all to find better ways of integrating them into UNCTAD's work. I very much hope that this Conference will seize this moment to give them the place they deserve in our daily work for development.

**Conclusion**

In conclusion, let me stress once more that we have to build consensus on a balanced strategy for growth and development. We must seek to complement competition with solidarity, to balance the efficiency of markets to create wealth and innovation with the need for an effective State capable of providing the legal and institutional framework for growth, income distribution and human development. We must recognize that each country has the primary responsibility for the adoption of the sound macro-economic policies necessary for its development, that, as the President of Costa Rica put it, nobody will do for us what we ourselves do not want to undertake. But if this primary responsibility of taking one's destiny in one's own hands is a necessary condition, it is by no means sufficient. We absolutely need an international community that provides an enabling economic external environment of growth, a renewed spirit of cooperation for development, official aid and debt relief, particularly for those who will not be able to survive and progress if abandoned to their own limited resources.

In sum, we need today, as we did 32 years ago, no less determination to face the challenge of widening inequality, of absolute poverty, of human despair. Above all, our first and foremost duty is towards the poorest among the poor, the least developed countries, the small and weakened economies. For UNCTAD, and for me personally, it is a matter of deep moral commitment and a matter of honour that those countries receive from us more and better services, that we can effectively contribute to the task of eliminating absolute poverty and the

very existence of a category of countries that constitute a living indictment of our failure in fighting the most extreme forms of deprivation. As it has often been said, we will be judged by the way we treat the weakest and most vulnerable members of the international community, and in our case of the UNCTAD community.

That brings me back to the theme of justice, and justice, first of all, for this most marginalized and sacrificed continent where we meet today, Africa. The violence, suffering and poverty of Africa is perhaps the biggest and most grave failure of the twentieth century. We are all in debt to Africa for what we have been taking from it for centuries. I come from a country which was to a very large extent built by African forced labour, a country where a conservative politician speaking in Parliament 150 years ago stated: "Africa civilizes America". He said that in defence of the institution of slavery. But he was saying the truth because without the talent, the pain and toil of millions of Africans, civilization would not have been built in my country and in many of our countries. We have never given back to Africa not even a small part of what we took away from it and I am afraid that the words of the poet, T.S. Eliot, could be well applied to us:

"Whatever we inherit from the fortunate
We have taken from the defeated"

It is time to start paying this huge human and social debt, which is much bigger than that other one, the financial debt to banks and governments. We have to come up with sensible and practical solutions to African needs, inspired by another great man who devoted his life to care for the Africans, Albert Schweizer, who described himself as a "pessimist in knowledge but an optimist in hope and action". Quoting Eliot again:

"History may be servitude
History may be freedom"

It depends on ourselves whether this time History will be freedom from hunger, from deprivation, from disease. For that, we do not need to repudiate our past. We must, on the contrary, rekindle our original inspiration and original thirst and hunger for justice and progress if we wish at the same time to reinvent UNCTAD and to return to what was and remains valid in its past. In the future, when people will remember this Renaissance Conference for UNCTAD, I hope that they will apply to us T.S. Eliot's words:

"In our beginning is our end, in our end is our beginning".

## Annex IV

## MINISTERIAL DECLARATION OF THE GROUP OF 77

Midrand, South Africa, 28 April 1996

1. We, the Ministers of the Group of 77 and China, met in Midrand, Republic of South Africa, on 28 April 1996. We express our deep appreciation to the Government and people of South Africa for hosting UNCTAD IX and for making arrangements for our Ministerial Meeting.

2. We recall that the Group of 77 and China have played a significant role in promoting the interests of the developing countries in various international forums, including UNCTAD. We express our commitment to further enhancing the solidarity and cohesiveness of the Group of 77 and China by establishing more effective and flexible coordination to meet the challenges of development, taking into account the various approaches contained in the different regional Ministerial Declarations of the Group of 77 and China.

3. In recent years, the world economy has experienced far-reaching changes, resulting in part from such complex phenomena as globalization and liberalization. The twin processes of liberalization and globalization are shaping a new system of international economic relations in which the changing patterns of production, investment and trade, the global span of finance and the central role of technology are increasingly dominant. The market mechanism has become the pre-eminent instrument for the allocation of resources but is unable to resolve all existing development challenges. Many opportunities for growth and development are inherent in these changes. However, developing countries, due in large part to various constraints beyond their control, could well find themselves excluded from full participation in this process and from its benefits.

4. To ensure further policy coherence at the international level, we call for full and effective participation of the developing countries in the process of decision-making and in the resolution of world economic problems through strengthened multilateralism. We also call for the improvement of macroeconomic policy coordination on a global basis aimed at promoting sustained growth and development of the developing countries.

5. We reaffirm the continuing relevance and role of UNCTAD as the principal forum of the United Nations General Assembly for the integrated treatment of development and interrelated issues in the areas of trade, finance, investment, services, commodities, technology, sustainable development and the promotion of international economic relations conducive to development. It should continue its analysis of global interdependence issues. As we approach the new millennium, UNCTAD, as a universal forum for intergovernmental deliberations, negotiations and consensus-building, should be at the forefront of international efforts to promote the development of developing countries, particularly the least developed and small vulnerable economies.